



**MINUTES OF THE MEETING
OF THE
GOVERNANCE COMMITTEE
March 16, 2023**

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Minutes of the regular meeting of the New York Power Authority and Canal Corporation's Governance Committee held via videoconference at approximately 8:31 a.m.

The following Members of the Governance Committee were present:

Bethaida González - Chair
John R. Koelmel
Tracy McKibben
Dennis Trainor
Michael Balboni

Also in attendance were:

Justin E. 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 & Chief Financial Officer
Joseph Kessler	Executive Vice President & Chief Operating Officer
Nancy Harvey	Chief Diversity, Equity and Inclusion Officer
Daniella Piper	Regional Manager & SVP Site Administration Niagara
Angela Gonzalez	Senior Vice President – Internal Audit
Patricia Lombardi	Senior Vice President – Project Delivery
Yves Noel	Senior Vice President – Strategy & Corporate Development
Robert Piascik	Senior Vice President & Chief Information Officer
Lisa Wansley	Senior Vice President – Environmental Justice, Community and Legislative Relations
Karen Delince	Vice President and Corporate Secretary
John Canale	Vice President – Strategic Supply Management
Girish Behal	Vice President – Project & Business Development
Angelyn Chandler	Vice President – Planning
Steve Kalashian	Vice President – Human Resources and Organizational Development
Joseph Leary	Vice President – Community & Government Relations
Shirley Marine	Vice President – Enterprise Shared Services
Karina Saslow	Interim Vice President – Human Resources
Eric Alemany	Senior Director – Supplier Relationship Management
Rebecca Hughes	Senior Director – Canals Public Engagement
Pooja, Nayyar	Senior Director – Organizational & talent Development
Kaela Mainsah	Director – Environmental Justice
Brian Stratton	Director of Canals
Javier Bucobo	Assistant General Counsel
Carley Hume	Chief of Staff
Christopher Vitale	Financial Performance & Reporting Manager
Lorna Johnson	Senior Associate Corporate Secretary
Sheila Quatrocci	Associate Corporate Secretary
Michele Stockwell	Project Coordinator, Corporate Secretary

Chair Bethaida González presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Chair Bethaida González welcomed committee members and Authority 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 Governance Committee Charter.

1. Adoption of the Proposed Meeting Agenda

On motion made by member John Koelmel and seconded by member Tracy McKibben the proposed meeting Agenda was unanimously adopted.

2. Motion to Conduct an Executive Session

On motion made by member John Koelmel and seconded by member Dennis Trainor, an Executive Session was held pursuant to §105(f) of the New York State Public Officers Law to discuss the employment history of a particular person.

3. Motion to Resume Meeting in Open Session

On motion made by member John Koelmel and seconded by member Michael Balboni, the meeting resumed in Open Session.

Chair Bethaida González said no votes were taken during the Executive Session.

4. DISCUSSION AGENDA:

a. Diversity, Equity and Inclusion Foundational Pillar Update

Ms. Nancy Harvey, Chief Diversity, Equity & Inclusion Officer, provided an update on the Diversity Equity and Inclusion (“DEI”) Foundational Pillar at NYPA and Canals. Mr. Eric Alemany, Senior Director of Supply Relationship Management and Ms. Kaela Mainsah, Director of Environmental Justice provided an update on Supplier Diversity and the P-TECH Internship program, respectively, to the members.

Office of Civil Rights and Inclusion

The Diversity, Equity and Inclusion group is creating an inclusive culture as part of the Authority’s VISION2030 Foundational Pillar. Building an inclusive culture is gathering employees for professional development and training, which are great opportunities to hear from them directly.

In January, DEI hosted its Executive Management Committee (“EMC”) and Employee Resource Group Leaders to share a strategic update on each of the six Employee Resource Groups (ERGs). At the close of the program, the feedback was that it was great to see EMC members present in the program’s entirety, fully engaged and asking questions.

Based on DEI’s commitment, the team wants to attract the best and the brightest in the industry and wants them to feel that they belong to the organization. DEI is working with its colleagues, recognizing that the NYPA leadership and Senior Managers are committed to the program.

DEI is creating a culture across the organization at NYPA and Canals where everyone contributes. Ultimately, the goal is to establish NYPA and Canals as a leader in DEI, including developing an internal culture of inclusion, a diverse supply chain, and a commitment to environmental justice.

TACTIC A

Key 2022 Accomplishments

The Office of Civil Rights and Inclusion (“OCRI”) team, along with its partners in Human Resources, and other centers of excellence across the organization, are implementing programs to improve and accelerate the adoption and realization of diversity, equity and inclusion priorities.

Increase Representation

OCRI addresses and responds to the dimensions of DEI. “Diversity” is who is represented in the workplace; “Equity” is how the organization is ensuring equality of opportunity; and “Inclusion” is how the workforce is experiencing the workplace. In addition to training and oversight of EEO programs, OCRI also offers all employees professional development and access to build a community in one of its six Employee Resource Groups.

Create an Inclusive Culture

OCRI is building an inclusive culture that starts with shifting the mindset to understand the competences and clarify the career opportunities for everyone.

The team have been challenged to think about what is required, beyond education, to support changing mindsets. For existing employees, the team included a new DEI competency in the Annual Performance Review process to help employees understand the expectations to support an inclusive culture.

DEI Foundations Training for new hires is included so that employees understand NYPA’s values and expectations, as well as how they are supported internally. This includes microaggressions and micro-advantages to enable employees to participate in a more inclusive culture.

OCRI is building the pipeline and representation. The goal is to source internal talent and retain more of the people the organization is attracting and developing. To that end, job architecture is implemented across the organization to provide consistency and transparency on job requirements and skills.

Key 2023 Accomplishments YTD and Look Ahead

In 2023, DEI will identify the focused competencies and career-path options needed for current and future roles. The end goal is to improve work engagement and career development and inspire conversations between employees and managers on career growth and experiences. To that end, DEI have piloted the Career Path in Technology where the employees can see where they are now, what career path options are available to them, and necessary skills.

DEI in Building the pipeline and Representation

The team continues to have DEI “nudges” for “challenging bias” in the recruiting process. They have explicit discussions with hiring managers at the beginning of the recruiting process to ensure that broader talent pools are targeted, leaning on a diverse state of panelists for interviews, providing guidance on creating consistent interview questions, and incorporating best practices from select trainings that all managers went through in order to mitigate bias in recruiting.

DEI in accountability

DEI is building the muscle to be open to uncomfortable conversations, which starts with having access to the right information.

Goals:

- Increase representation.
- Build management and staff capability.
- Creating an inclusive culture; and
- Improving transparency and accountability in policies and programs.

DEI in Professional Development

The Office of Civil Rights and Inclusion is developing leaders from traditionally under-represented populations.

In 2022, the Professional Development program had 61 graduates in 2022 and 120 women attended the Women in Power ERGs Women's Leadership Summit.

The team is currently in the process of launching Cohorts for the Pathways Program; Connected Leaders Academy; and Women's Accelerator Programs for 2023.

OCRI continues to expand access, because programs like Pathways provide individual support, including connecting participants with mentors to inform the individual development and coaching required to advance.

Additionally, the Employee Resource Groups are comprised of employees who are champions for change toward an inclusive and diverse work environment. The executive sponsors continue to lead and provide guidance to the co-chairs.

For 2023, DEI is looking forward to continuing the progress and expanding the demographic survey. The team will continue to offer its "Know Your Rights Program," and the DEI dashboard is being incorporated and launched as part of Human Resource's consolidated dashboard, to house all of the different workforce metrics around the employee lifecycle and to help leaders do a deep dive on their department data.

DEI will also continue to develop employees through the Pathways and Connected Leaders Academy which is part of the Employee Resource Group's Elevate Program. In addition, DEI is planning an enterprise-wide diversity month with the opportunity for employees to engage with each other and learn about various aspects of diversity.

In addition, it is critical to bring NYPA leaders along on the DEI journey. To this end, in May, the team will be hosting a DEI Executive Briefing and Training to level-set and engage leaders in ensuring that all employees feel included and know that they belong to the team. This will equip the leaders of the organization as active partners in the DEI journey.

TACTIC B

SUPPLIER DIVERSITY

Mr. Eric Alemany, Senior Director of Supplier Relationship Management, provided a report of the Authority Supplier Diversity efforts related to Supplier Diversity, Tactic B.

2022 Key Accomplishments and Outcomes

• **Promote Awareness**

The Authority had a stellar year promoting and increasing awareness throughout New York State in support of the Authority's VISION2030 Strategic Initiatives. NYPA finalized its Supplier Diversity Roadmap which outlined a strategy to engage local and diverse firms in their communities, while increasing spend opportunities, locally. There were 24 outreach and educational events throughout New York State, which doubled the number from the previous year, with more than 2,000 attendees. As an example, the annual Supplier Diversity Expo, which was held virtually, aimed at educating suppliers about the future opportunities in support of NYPA's VISION2030 strategic initiative.

The roadmap also supported a business preparation program, as well as provide a forum to help develop existing and new business relationships. NYPA's message throughout the Expo was reinforced with remarks from NYPA's President, Justin Driscoll, and special guests including the Lieutenant Governor. NYPA was also a key player at two of the state's annual conferences in Albany, namely, the M/WBE Forum and VETCON which is geared specifically for Services Disabled Veteran-Owned businesses.

NYPA was awarded the M/WBE Champions Award for dedication to the New York State M/WBE program and helping increase opportunities for M/WBE businesses.

• **Develop Supportive Programs**

In 2022, NYPA launched three, never-before implemented Supply Diversity programs aimed at different levels of business maturity.

1. Small and Local Business Education and Capacity Building Programs to engage businesses in the early stages of growth throughout New York State, including within disadvantaged communities. Sixty-six (66) participants were involved in virtual classes, statewide, to help strengthen their businesses.
2. The Surety Bond Training Program is aimed at helping moderate-level businesses gain access to capital, as well as back-office preparedness. Sixty-five (65) participants graduated from this program. Because of this program, an aggregate of \$7.5 million of bonding capacity was achieved through the cohorts. They were therefore able to leverage the bonding capacity to compete on larger projects.
3. For mature businesses, the Supplier Mentor-Protégé Program aim is to scale-up and scale-out through mutually beneficial relationships between the prime and the diverse businesses. Three Mentor-Protégé teams coupled together are continuing their relationships. Mentors have also indicated interest in recommitting for the next cohort.

In all three programs, suppliers have been onboarded in the Authority's procurement systems to grow the Authority's supplier network and allow them to participate in upcoming opportunities with NYPA and Canals.

As the Authority expands its awareness and educates diverse suppliers through its programs, it is now seeing pre-pandemic numbers in supplier diversity spend, allowing it to re-establish its baseline.

• **Increase Access**

NYPA and Canals has achieved \$172 million among local and New York State certified businesses. This includes both direct contracts, as well as subcontracts.

To increase awareness and access, NYPA has partnered with Empire State Development Corporation ("ESD"), the administrating body of the M/WBE Program and the Certification

Program. The Power Authority has been partnering with ESD to establish regional certification members to support the application process for future firms that are interested in becoming New York State certified.

2023 ACCOMPLISHMENTS

Year-to-Date and Look Ahead:

Promote Awareness

Supplier Diversity Expo

To promote awareness, NYPA held its annual Supplier Diversity Expo on March 1st in White Plains. The event had more than 700 registered attendees, virtually, as well as in-person, including representation from the Governor's Office and NYPA's Leadership, President Justin Driscoll and Adam Barsky, Executive Vice President and chief Financial Officer.

The expo included workshops and NYPA and Canal opportunities and capacity building; facilitated business meetings among six industry sectors through NYPA's opportunity zones; M/WBE and SDVOB certification Help Desks to promote opportunities and to connect certifying agencies with potential diverse firms to understand their application process; hosted exhibitors, including NYPA and Canal contractors, New York State agencies and authorities. In addition, six diverse businesses were recognized for their work with NYPA and Canals and were presented with the Diversity Champions of Excellence Award.

Looking ahead, the team will continue to expand its statewide engagements. For example, in January, partnering with local agencies and authorities, the "Grow Your Business Career" event was held at the Northland Workforce Development Center in Buffalo. In addition, partnering with the City of Rochester, the teams will be participating in a "Doing Biz w/Corp" event.

In April, the team will be in the North Country engaging businesses and diverse firms in the communities and neighborhoods that they reside in. NYPA also plans to continue with the outreach programs as the year progresses.

Finally, NYPA is working on refreshing its external procurement website. NYPA will be partnering with the Corporate Communications team to become a year-end resource for supplier communication channels.

Develop Supportive Programs

- NYPA continues to refine Supplier Diversity supportive programs by integrating lessons learned from the first cohorts previously mentioned.
- NYPA plans to graduate 66 participants from the Small and Local capacity building program. This will be followed by commencement of the second cohort.
- The application process is also underway for the second cohort for the Surety Bond Program; and
- Applications are being accepted on a rolling basis for the second cohort of the Mentor Protégé program.

The team will continue to strategize on other ways to build capacity and competencies among diverse businesses so that they can be ready for the projects that NYPA is planning in the energy and utility sector as part of its VISION2030 Strategic Initiative such as Connect All, Smart Path, and Offshore Wind.

Looking ahead, the team is supporting projects such as The Indoor Food Project in Buffalo as well as Canisius College, in collaboration with the Environmental Justice team. This is another opportunity for the Authority to engage local businesses to help support some of the work that is happening in their backyards.

In closing, Mr. Alemany said that through continued leadership and guidance the team is seeking to increase the Authority's supplier diversity utilization and engage suppliers with outreach and other programs. The Authority is on the right track to grow the supplier diversity and engage a lot of the local businesses and New York State certified firms.

TACTIC C

Environmental Justice Program

Ms. Lisa Wansley, Senior Vice President of Environmental Justice, Community and Legislative relations, provided highlights of the Environmental Justice Program, to date. She said that 2022 was a very productive year for the Environmental Justice program under the DEI initiative. It has three programs, Future Energy Leaders Scholarship Program, P-TECH and the Environmental Justice Community Volunteer Corps.

2022 Key Accomplishments:

Future Energy Leaders Scholarship Program

Environmental Justice completed a competitive solicitation for community partners and five industry and community organizations were qualified as Administrative Partners, namely, American Association of Blacks in Energy; Eagle Academy Foundation; National Society of Black Engineers; New York Urban League; and United Neighborhood Houses.

Under the Future Energy Leaders Scholarship Program, 10 College Scholarships were awarded in May.

P-TECH

In 2022, the Authority expanded its P-TECH partnership and established three new regional P-TECH partnerships for a total of six partnerships in the following schools:

Energy Tech HS, Queens
Port Richmond HS, Staten Island
The Oneida, Herkimer, and Madison BOCES
Niagara Falls HS
Be Solar HS in Buffalo; and
Questar III BOCES in Albany

In summer 2022, twenty-eight (28) students completed a six-week summer Internship. The students' projects included: Customer Energy Audits; Internal Cyber Security Awareness Campaign; Vegetation Mapping; Community Distributed Energy Analysis; and Smart Street Lighting Project.

The P-TECH students from the Smart Street Lighting project made a formal presentation to Mayor Sheehan of Albany briefing her on the results of their analysis and recommendations.

The P-TECH Career Academy Resumed in-person workshops and completed a series of Professional Career Academy Skills Building Workshops including:

- NYPA 101
- Career Opportunities at NYPA and the Electric Energy Industry
- Professional Skills Development including Making Presentations, Interview and Resume Writing Skills; and
- Developing Financial Literacy

EJ also launched a new Skills Mapping exercise with Cyber Security Subject Matter Experts and curriculum collaboration with P-TECH partners as part of the Authority's DEI goal of building the workforce pipelines.

NYPA's Environmental Justice Community Volunteer Corps

- NYPA exceeded its 2022 Goal of six events with seven statewide volunteer opportunities.
- 103 Employees participated in a "day of service" with over 300 hours of volunteer hours donated.
- NYPA also launched EJ's Inaugural Employee Inspiration Challenge where employees were asked to nominate local community projects or ideas for possible implementation by the Community Corps. Nine (9) proposals were received, and the winning Project, Fishing Clinics for Underserved Youth, was submitted by: Kasey Pelrah from Clark Energy Center (CEC).

2023 Key Accomplishments

2023 Future Energy Leaders Scholarship Program

On January 6-7, EJ sponsored the Future Energy Leaders Scholarship Inaugural Summit. The Summit is a new enhancement to the program designed to foster more meaningful and supportive relationships with scholarship winners and their families beyond the one-time financial award. This is part of the many ways the Authority will provide support to students throughout their four-year academic careers. The objective is to provide the students with the opportunity to form relationships and build a strong cohort of students with NYPA staff. The theme of the Summit was "*Building Community.*"

Fourteen (14) student scholars from the Class of 2021 and 2022, parents, family members and guests participated in the two-day event. EJ staff and many of NYPA's professionals, including professionals of color, served as panelists, speakers, and mentors for the day.

The 2023 Future Energy Leaders Scholarship Program was launched on March 9th. Final Scholarship Winners will be submitted to NYPA no later than May 12. A virtual scholarship event is scheduled for early June.

P-TECH

- P-TECH is well positioned to meet its 2023 DEI goals with innovative solutions to new challenges.
- The number of P-TECH scholarships will increase to 20.
- Discussions with potential P-TECH partners are currently underway. These include:

- Brooklyn P-TECH
 - Herkimer BOCES
 - Eagle Academy for Young Men of Harlem
- The Authority is submitting an RFP to the state for a new P-TECH site where they will develop the new P-TECH program.
 - P-TECH will increase the number of summer internships from 28 to 50 students.
 - The more than 100 students currently attending the Career Academy's 2022 – 2023 Fall to Spring Semester will conclude their program next month.
 - The skills mapping project with Cyber Security and the associated curriculum development in collaboration with Community College partners is complete.
 - As in past years, at the conclusion of their summer internship, students will make a final presentation to NYPA staff. Last year, the presentations were outstanding and demonstrated the breadth and depth of the interns' accomplishments and what they learned at NYPA.

Ms. Wansley then provided a brief overview of one of the ways EJ is leveraging NYPA's resources and relationships to provide a meaningful career training experience for P-TECH students as follows:

- This summer, EJ will partner with one of NYPA's M/WBE Suppliers, Mason Dev, an architectural and engineering consulting firm based in White Plains. This collaboration will be essential in helping NYPA meet its P-TECH and DEI goals.
- Mason Dev will provide energy audit training to 20 students over their 6-week internship.
- After the training, the P-TECH students will conduct energy audits of select Recharge NY customers located in SENY under the supervision of Mason Dev. The audits will provide data regarding energy consumption in customer facilities and include specific actions they can take to improve energy efficiency.
- The audit will benefit P-TECH students by providing the opportunity to apply their acquired skills to NYPA customers in real time. It is one of the examples demonstrating how NYPA's P-TECH model works and is yielding measurable results.
-
- The collaboration between P-TECH students, Supplier Diversity, and NYPA's customers, exemplifies the intersectionality between EJ and Supplier Diversity in achieving NYPA's global DEI goals.
- Students will not only learn a skill that is highly marketable in the green economy, but this approach represents a win for Environmental Justice, Supplier Diversity, P-TECH, and NYPA's customers.

NYPA Environmental Justice Community Volunteers Corps

- In 2023, volunteer opportunities will be expanded to include staff at the Flynn Power Plant and the Albany Office allowing them to participate in projects with local community partners. EJ will continue its collaboration with NYS Canals Corporation on three volunteer events for Canals employees.

- The next Community Corp event will be held in Brentwood on March 23 in collaboration with a new EJ partner, The Sisters of St. Joseph, who were the recipient of Trees through NYPA's TreePower Program. Volunteers will engage in activities to help convert a small part of an unused forest area to grow fruits and vegetables. This is part of the Sisters of St Joseph's overall climate change response that includes sequestration of carbon, stormwater capture, promotion of biodiversity and the creation of a community foraging space.
- In 2023, Environmental Justice will also be increasing the total number of volunteer opportunities to 10 statewide events.
- Environmental Justice will launch three Fishing Clinics, a suggestion from the winner of the Inspiration Challenge. These fishing clinics for underserved youth will begin in May.
- With support from NYS DEC, NYPA will collaborate with local schools and youth groups. Locations for the clinics are Massena Visitors Center, Syracuse Lock 23, and Niagara Falls at Hyde Park.

Outcomes – Targets and Actuals as of December 31, 2022

Environmental Justice has met or exceeded its three DEI metrics in 2022.

5. CONSENT AGENDA:

On motion made by Member Tracy McKibben, and seconded by Member Michael Balboni, the Consent Agenda and Reports provided by staff to members of the Governance Committee were approved.

a. New York Power Authority and Canal Corporation Ethics and Compliance Program

“ETHICS and COMPLIANCE

SUMMARY

The Office of Ethics and Compliance (“ECO”) advises the NYPA and Canal Corporation (“Canals”) trustees, directors, officers and employees on the legal, regulatory and NYPA Code of Conduct ethics and compliance standards affecting their employees and operations. It coordinates the investigation of allegations and concerns involving NYPA's and Canals' assets and employees. ECO staff members participate on various formal and informal committees and working groups related to enterprise resilience, risk management, internal controls and best business practices. This report highlights significant developments in the ethics and compliance program for the period September 29, 2022 to March 16, 2023.

BACKGROUND

The principal substantive issues arising under the NYS ethics laws, NYPA's Code of Conduct and the Canals' Code of Ethics investigated or researched involved requests to engage in outside activities and employment, conflict of interest reviews, financial disclosure analyses, post-employment guidance and assessments of unwarranted privileges.

As NYPA's VISION2030 Strategic Plan evolves, the ECO continues to provide guidance in support of emerging strategic initiatives across NYPA and Canals. Reaffirming and embedding

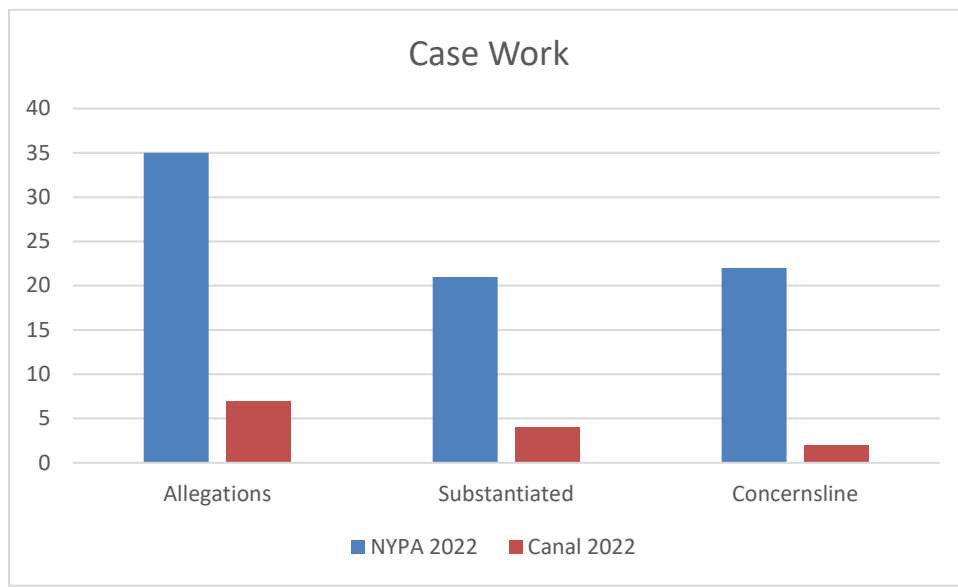
the guiding principles of the NYS Public Officers Law and NYPA/Canals' Codes of Conduct from the outset of a project or initiative sets a foundational expectation of ethical conduct and transparency. NYPA's commitment to these principles ensures a resilient organization and protects NYPA and Canals' most valuable resource--its employees, from violations of law and policy.

Internal consulting advisory guidance is being requested by business groups on an increased basis and has become a significant portion of the ECO portfolio.

DISCUSSION

Caseload Management

The charts below represent three consolidated workstreams; "Case Work", "Advisory Services" and "Approvals/Guidance." "Case Work" includes allegations of misconduct and retaliation concerns unrelated to protected class claims, which are investigated by the Office of Civil Rights & Inclusion. "Advisory Services" captures inquiries for which we interpret the Public Officers Law and regulations of the Commission on Ethics and Lobbying in Government (COELIG) and provide advice and counsel. The last graph, "Approvals/Guidance" reflects those inquiries where we provide approvals/denials for specific individual and corporate requests for internal opinions. Representative cases from each category will be discussed below.



Notable Observations-Case Work:

2022's combined total of 45 concerns represented a 20% increase in year-over year concerns from a total of 35 reported concerns in 2021. This increase is partially attributable to multiple hotline reports with varying issues and related to a common department or group of employees. The ECO will be exploring this developing trend with our investigative trends committee partners (Employee Relations, Labor Relations, Office of Civil Rights & Inclusion) to validate common themes and provide support to senior management.

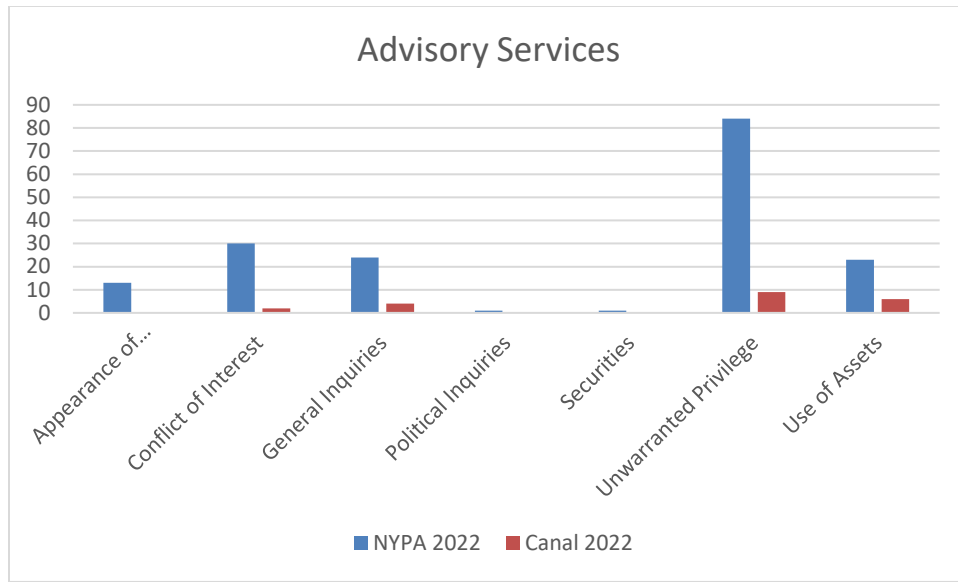
As NYPA and Canals staff returned to more consistent in-office work schedules over the 2022 calendar year, there was increasing scrutiny on time and attendance practices and the use of NYPA equipment for personal business. The ECO reviewed time and attendance and digital footprint records to determine whether employees with performance-related issues were adhering

to departmental expectations regarding in-person office hours during the workday and/or demonstrable work productivity during remote workdays. Card reader access data provided by Corporate Security was used to determine employee reporting days and forensic reviews of electronic devices provided a digital record of employees' activities (emails, TEAMS messages, accessing network files, etc.) and was used to evaluate activity on remote working days. The ECO works closely with both Corporate Security and Cyber Security teams to obtain and evaluate the applicable data consistent with the internal controls contained in policies and procedures.

An employee was offered a last chance warning after purposely damaging another employee's personal vehicle in a work parking lot. The deliberate action was recorded by the vehicle's safety camera system and provided proof of the malicious activity.

In two additional vehicle related incidents, one employee used a NYPA vehicle to perform personal errands during the workday, and two employees failed to report a minor motor vehicle accident which was anonymously reported to site management. All employees were disciplined in accordance with policies, procedures and the applicable collective bargaining agreement protocols.

The Employee Concerns Line received 24 cases through its web-based reporting platform in 2022 and one referral was made by the NYS Inspector General's Office. 17 concerns were received through various anonymous and direct-contact reporting mechanisms. Each concern was triaged and assigned to the appropriate departments and investigative trends teams for review and investigation.



Notable Observations-Advisory Services:

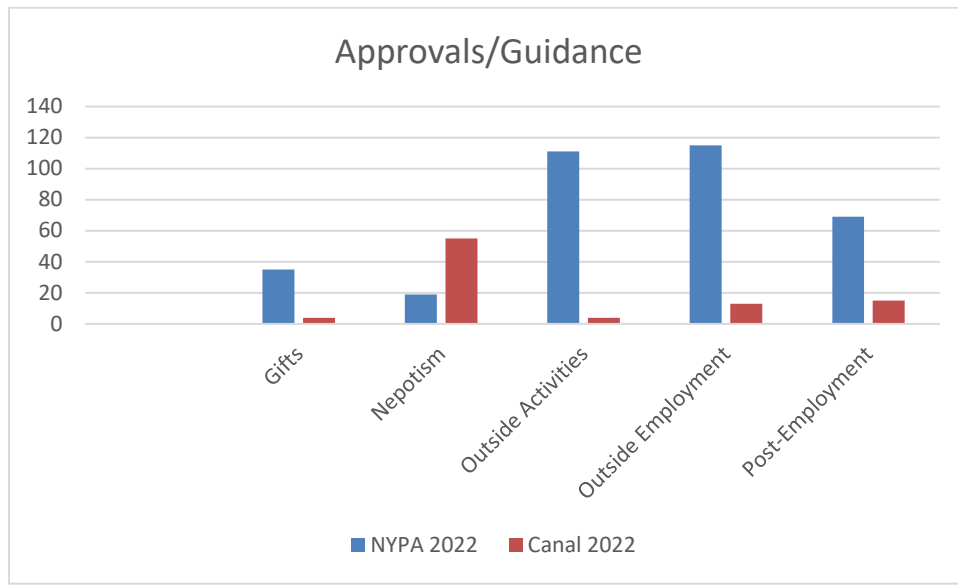
The ECO is consulted and offers advice on a wide variety of topics including requests for the use of NYPA/Canals facilities or assets for non-governmental purposes during the conception/development of a new project/program, review of interactions with third parties and requests for references/recommendations based upon execution of prior work product(s) or service(s).

There were a combined 197 advisory opinions provided to staff during calendar year 2022. Conflict of Interest (COI) categories include fourteen Strategic Supply Management (SSM) COI reviews involving employees and third-party consultants acting on NYPA/Canals behalf as part of Request for Proposal (RFP) competitive procurement evaluation teams. Several employees

during the reporting period were advised that they could not review the proposals of their prior employer(s) or otherwise participate in their evaluation. In several appearances of impropriety matters, employees and managers notified the ECO that family members of NYPA employees were bidding on publicly announced procurement opportunities. In all cases, the affected employee(s) was removed from any role in the procurement process or administration of an ensuing awarded contract. In one such instance, an anonymous Concerns Line case was filed after a family business was awarded a contract. The prior disclosure and internal controls set in place allowed the ECO to affirmatively respond to the complainant through our third-party Concerns Line vendor and explain the prior employee disclosure and transparent vetting process, which resulted in the case being closed as unsubstantiated. In that instance, it was determined that there was no impermissible conflict of interest.

The Unwarranted Privilege and Use of Assets categories include requests to review and opine on co-presentations of NYPA/Canals employees with vendors and/or business partners at industry events and conferences. Reviews in 2022 have included several EPRI and APPA presentations, a GE Asset Performance presentation, a UC Berkley Dam Safety discussion, and a presentation on the Court Street Dam project with AECOM.

NYPA and Canals requested input on various proposed joint press releases and social media posts and have been asked to provide letters of support related to Canals communities seeking funding grants from local, state and federal resources, as well as philanthropic organizations. When submitting letters of support, the ECO recommends that the letters express general support of community-based initiatives with a clear nexus to NYPA/Canals missions, operations or statutory authority and refrain from identifying endorsement of commercial beneficiaries. This mitigates the risk of creating an appearance of favoritism amongst community businesses or endorsing entities' products or services.



Notable Observations-Approvals/Guidance:

The ECO reviewed and approved personal and professional outside activities and employment of employees and board members. NYPA's Code of Conduct requires the disclosure of any compensated employment and certain uncompensated outside activities, including appointed and elected municipal and political positions and board or commission affiliations. Each of these analyses centers on whether there are any impermissible conflicts of interest that would preclude participation in the proposed activities.

In November 2022, the ECO launched a new automated outside activity/employment review request form and a gifts disclosure form on the NYPA PowerNet page. The announcement of these new digital tools resulted in a sharp increase of new submittals, increasing the total number of outside activities and employment conflict of interest reviews from a combined 137 in calendar year 2021, to 243 reviews in 2022. We continue to work through this portfolio of conflict-of-interest reviews.

Outside activities and employment requests, if granted, are issued with conditional approvals and ethics guidelines that employees must agree with to engage in the requested activities. Each approval is customized to provide appropriate guidance related to the circumstances. In those instances where designated “policy-makers” request approval to engage in certain outside activities and employment, the ECO facilitates the mandatory review and approval of the CELIG in accordance with its regulations.

eGRC Case Management System

The ECO transitioned its legacy case management system (BPS Resolver) to the Archer eGRC (enterprise Governance, Risk and Compliance) management system exclusively in Q4 2022. Historical records were migrated from the former system of record to the new tool, with initial functionality restricted to searching prior casework with the expectation that enhancements will provide the ability to assimilate granular data into newly created reports. The BPS Resolver system is no longer in use.

The Archer tool will be further developed in Q2 2023 to build out additional functionality to compile allegations data and allow for greater granularity in reporting. We anticipate using this tool to provide trend analysis as the captured data increases in volume throughout the incidents module and will collaborate with the Investigative Trends Team to inform and support senior management.

Enterprise Initiatives--Committees and Working Groups

The ECO is increasingly requested to participate in various enterprise and departmental program development working groups. Being engaged during the formulation, strategy, development and implementation of projects and initiatives allows the ECO to offer advice and guidance to ensure that ethical awareness, transparency and compliance with standards are foundational objectives as NYPA/Canals evolve in pursuit of VISION2030 goals and underlying Foundational Pillars. ECO staff are currently serving on the following internal committees, cross-functional teams, work groups or initiatives:

- Compliance Work Group—sponsored by the ECO
- Internal Business Controls Committee
- Open Data Committee
- Investigative Trends Committee
- Enterprise Risk & Resilience Committee
- Insider Threat/Fraud Risk Assessment Working Group
- SECURE & Resilience Committee (Cyber/Physical Security)
- Sustainability Advisory Council (ESG)
- Integrated Reporting Working Group
- NERC Reliability Standards Audit Working Group
- NERC Reliability Standards Potential Non-Compliance Investigation Team
- CIP Change Control Board
- Operations Dam Safety Committee
- eGRC Working and Project Development Teams

New York State Commission on Ethics and Lobbying in Government (COELIG)

The COELIG was established by the Ethics Commission Reform Act of 2022 and replaced the former NYS Joint Commission on Public Ethics (JCOPE) in July 2022. The Commission remains responsible for interpreting and ensuring compliance with the State's ethics and lobbying laws and regulations. The ECO continues to maintain collaborative working relationships with COELIG staff, including those in the Investigations, Law Department, Financial Disclosure and Training units.

Financial Disclosure

The annual Financial Disclosure Statements ("FDS") will be due at COELIG by May 15, 2023.

NYPA submitted its annual mandatory FDS COELIG filing in advance of the February 28, 2023 deadline. NYPA reported 893 participating filers, including more than 250 designated policy-makers. There are almost 260 NYPA employees with valid filing exemptions from participation in the FDS program. The Canal Corporation reported 28 filers, 17 designated policymakers and one employee with a valid filing exemption.

Training and Outreach

The Ethics Commission Reform Act of 2022 also enhanced the training requirement previously established for financial disclosure participants. The new standard requires all state government employees to participate in live, instructor-led training on a two-year cycle. The ECO delivers the Comprehensive Ethics Training Course via the TEAMS virtual meeting environment. In calendar year 2022, 281 NYPA and Canals employees participated in the live training and 36 continuing professional education unit (CPEU) certificates were issued to employees to fulfill their ethics requirements for maintaining Professional Engineer licenses.

The new requirement to provide this training to all employees will require additional training sessions and substantially increase the annual training pool. We anticipate providing training to a combined 1,500-2,000 employees in both NYPA and Canals in 2023. Bargaining unit represented employees will be scheduled by Asset Planners at the generation and transmission facilities. To date in 2023, the ECO has trained 118 employees and all eight Canal Recreationway Commission members.

This training requirement mandates a monthly report to the COELIG, which then aggregates training data and reports to the Governor's Office on monthly training statistics.

The ECO is working with Corporate Communications, the Office of Civil Rights and Inclusion and Employee Relations to develop a communications plan to reinforce expectations related to business conduct and behaviors. The reminders will appear as articles in weekly digital FYI's and publications and on scrolling monitors where available. The ECO is also exploring 90-second customizable micro-trainings offered by our Concerns Line vendor and other training resources.

Compliance Reporting

The ECO collaborates with the Controller's Office and multiple stakeholders to ensure the accurate and timely preparation and submission of reports required by the NYS Public Authorities Law. This effort includes coordination of mandatory NYPA and Canals website postings and entries into the Public Authorities Reporting Information System. NYPA and Canals are on track to achieve all required filings, postings and submission. These reports comprise a comprehensive view into NYPA and Canals finances, governance, organizational structure, operations and strategy. These and other mandatory reporting and training requirements are

captured in NYPA's electronic Compliance Repository. It is anticipated that they will be entered into the Governance, Risk and Compliance tool and mapped to identified internal controls and organizational risks.

The ECO coordinated four enterprise Compliance Work Group meetings during 2022, and one has been held during the first quarter of 2023. Each meeting includes a presentation by a NYPA or Canals department on key initiatives affecting the enterprises with a focus on compliance-related considerations. A roundtable discussion is also conducted to promote information exchanges with the goal of embedding a culture of compliance throughout the organizations.

Annual FERC Standards of Conduct training was developed and presented to applicable employees during the fourth quarter 2022.

TECHNICAL COMPLIANCE

RELIABILITY STANDARDS COMPLIANCE (RSC)

BACKGROUND

Background information related to the origin of the North American Electric Reliability Corporation (NERC) mandatory standards for reliability and NYPA's obligations to demonstrate compliance with the standards has been presented in previous reports to the Governance Committee.

DISCUSSION

NERC Reliability Standards Compliance Enforcement Actions

During the reporting period, there were six (6) new potential noncompliance concerns (PNC) of the NERC Reliability Standards reported to the Northeast Power Coordinating Council (NPCC).

1. FAC-008-5 – Facility Ratings, Requirement R8. Under an MOU, LIPA/PSEG-LI has the functional task role to communicate the appropriate Facility Ratings, provided by NYPA, to the NYISO. LIPA/PSEG-LI did not communicate changes to NYPA during an outage and NYPA did not provide Facility Ratings to the NYISO as specified in Requirement 8.1.1.

This potential noncompliance concern was determined to be of moderate impact to the Bulk Electric System (BES). As such, RSC reported this to NPCC under the self-reporting process and confirmed by NPCC.

2. PRC-027-1 — Coordination of Protection Systems for Performance During Faults, Requirement R3. NYPA did not utilize its process to provide proposed Protection System settings to the owner(s) of electrically joined Facilities.
3. PRC-019-2 — Coordination of Generating Unit or Plant Capabilities, Voltage Regulating Controls, and Protection, Requirement R2. NYPA did not perform the coordination of the voltage regulating system controls, with the applicable equipment capabilities and settings of the applicable Protection System devices and functions.
4. CIP-006-6 — Cyber Security — Physical Security of BES Cyber Systems, Requirement R1.8. NYPA did not perform the required logging by name and time of entry into a High impact BES PSP Facility.

5. CIP-004-6 — Cyber Security – Personnel & Training, Requirement R5.1. An intern's separation from service was more than 24 hours prior to access revocation. NYPA did not follow its process to initiate removal of an individual's ability for unescorted physical access within 24 hours of the termination action.
6. CIP-007-6 — Cyber Security – Systems Security Management, Requirement R2.3_NYPA did not have a dated mitigation plan (which is specific to the asset and the vulnerability) prior to a protection relay becoming active on the BES, and CIP-010-4 – Cyber Security — Configuration Change Management and Vulnerability Assessments, Requirement 1.1; NYPA did not have a documented baseline for a protective relay that includes accurate operating system or firmware versions prior to becoming active on the BES.

These potential noncompliance concerns were determined to be of minimal impact to the Bulk Electric System (BES). As such, RSC reported this to NPCC under the self-logging process and confirmed by NPCC. The mitigation plan includes completing an extent of condition assessment NYPA-wide to determine percentage of non-compliance.

Investigations of Potential Noncompliance

During the reporting period, RSC reviewed fourteen (14) investigations of potential noncompliance of the NERC Reliability Standards. Six (6) investigations resulted in a determination of potential noncompliance and submitted to NPCC as described above. Four (4) investigations did not result in a noncompliance of NERC Standards. The remaining four (4) investigations are under review and pending a final determination.

This internal process is viewed by the regulator as evidence that NYPA has a strong internal compliance program and is able to self-identify and correct instances of non-compliance.

RSC Compliance Newsletter

RSC continues to release its Compliance Newsletter. The newsletter provides a comprehensive overview of NYPA's compliance program on a quarterly basis. This includes New Standards and Effective Dates, Significant Updates to NYPA Governance, NYPA Compliance Process Improvement Initiatives and Projects and Industry News.

Recommendation Tracking Tool and PNC Dashboard

RSC's internal awareness tools are utilized to advise NYPA staff of prior enforcement issues and mitigation activities. Any lessons learned, root cause analyses, and/or recommendations are given to the compliance evidence managers aimed to improving the effectiveness of the compliance program.

The RSC Recommendation Tracking tool tracks internal recommendations identified through NYPA's 2021 CIP and O&P NPCC audit, as well as any open PNCs, where personnel can directly record their action plan associated with the recommendation and upload close-out documentation for RSC review and approval. Each recommendation is given a priority (High, Medium, Low). Recommendations can be internal improvements or mitigation activities associated with audit recommendations or a potential noncompliance self-log/self-report. RSC's internal PNC Dashboard is utilized as a visual one-stop-shop to view all assessment recommendations processed through the PNC process and Recommendation Tracking Tool. The goal is to disseminate this information NYPA wide and for subject matter experts (SME) to be aware of past internal data points.

During the reporting period, recommendations from the 2021 audit, conclusion of risk-based evidence review process and mitigating activities for recent PNCs have been incorporated in RSC's Compliance Tracking Tool and issued to SMEs. These recommendations address

several process improvement topics of which some gained traction in Q4 2022. Major items resolved by RSC and SME teams during reporting period include:

- a) Collaborated with Asset Management team to formalize various aspects within the Asset Maintenance Manual. Key process discussions included:
 - Re-issued revised recommendations to Asset Maintenance Management staff
 - Spot Check Process and Assurance Function roll out within Asset Maintenance Manual
 - Spare equipment strategy
 - Formalizing the maintenance of NYPA assets performed by other utilities
- b) Process improvements across Protection and Control to include NERC Compliance checklist ownership of RAS maintenance spreadsheet, relay settings upgrades and trainings
- c) Added Restoration to Real-Time Reliability Task (RE-31) and associated Training was delivered to ECC System Operators
- d) Validated compliance for settings threshold curve for underfrequency load shedding relays
- e) Completed M&T of Lock Out relays at STL and BG as part of the PRC-005 mitigation plan
- f) Revised designation memos for third party managed assets

NERC Alerts

NERC disseminates information that it deems critical to ensuring the reliability of the bulk power system via “alerts” designed to provide concise, actionable information to the electric industry. During the reporting period, there were two (2) NERC alerts sent to industry.

On September 12, 2022, NERC issued an Industry Recommendation via the NERC Alert System regarding the Extreme Weather Events to which NYPA responded in a timely fashion. The Cold Weather Reliability Standard becomes enforceable on April 1, 2023. This Alert was issued to further understand how utilities plan for and progress toward mitigating risk for the upcoming winter and beyond.

On February 13, 2023, NERC issued an advisory to alert industry about cold weather standards becoming effective April 1, 2023. NERC recommends that entities of bulk power system-connected generating resources implement cold weather winterization measures as early as possible to prepare for the next extreme cold weather event and future winter seasons. NYPA is developing governance to address the purpose of these standards, which is to enhance the reliability of the BES during cold weather events by ensuring applicable entities prepare for extreme cold weather conditions.

Risk-Based Evidence Management Program

RSC implements a Risk-Based Evidence Management Program for identifying areas of risk and appropriate frequency for evaluation of controls and compliance evidence updates for the

NERC Reliability Standards applicable to NYPA. This process ensures that NYPA's compliance program aligns with NERC's risk-based Compliance Monitoring and Enforcement Program and the NPCC guided self-certification process. In 2023, RSC will review and update the evidence for seven (7) NERC Reliability Standards that are applicable to NYPA's NERC registrations. In 2022, RSC reviewed and updated the evidence for eleven (11) NERC Reliability Standards that are applicable to NYPA's NERC registrations and there were no findings of noncompliance.

To enhance NYPA's compliance Risk, Governance and Process flows, RSC has engaged external vendor Karta Corp. to provide an eGRC solutions to document NYPA's compliance environment and provide a path for ensuring compliance. Roll out of NERC solution in RSA eGRC platform is planned for Q2 2023.

Self-Certification of Compliance

NYPA as a NPCC Full Member Functional Entity, in February 2023, submitted a Self-Certification of Compliance with NPCC Regional Reliability Directory #11 Disturbance Monitoring Equipment Criteria R1, R3 and R6. RSC determined that NYPA complies with NPCC Directory #11 for the self-certification period.

NYPA - NATF PEER Review 2023

NYPA is volunteering with North American Transmission Forum (NATF) to conduct peer reviews on selected area of focus with the goal of elevating the programs towards excellence. Onsite peer review is scheduled in July 2023 tentatively for the following domains:

- a) System Protection
- b) Operator Training
- c) Operations Tools
- d) Cyber Security and OT
- e) Physical Security
- f) Compliance

NERC Operations and Planning (O&P) Standards

Due to our expanding transmission portfolio and NYPA's desire to participate in public/private transmission development projects to meet NYPSC goals in coming years, RSC is coordinating a cross functional group that looks at the detailed aspects of Transmission Operator (TOP) functional responsibilities and compliance obligations.

- a) RSC is revising and developing governance, internal controls and conducting assessments to prepare for TOP registration
- b) Training materials are being developed for ECC Real-time operational responsibilities
- c) NYPA's EMS Advance tools are being evaluated and improvements are being made to the expanding models
- d) Operations Planning day-ahead assessments are being developed
- e) Approved positions for RSC and ECC for 2023 are in process of being posted

RSC has updated the Compliance Responsibility Matrix to include TOP registration and compliance ownership. RSC is working with SMEs to determine what internal controls are

currently in place for TOP compliance. Discussions with NPCC occurred in December 2022, regarding TOP registration and compliance responsibilities.

As RSC strives to continuously improve NYPA's internal processes and reinforce understanding amongst staff, there are enhancements related to Protection & Control internal controls that are being addressed. RSC is collaborating with the Protection & Control group and Site personnel to initiate an internal project to explicitly capture all components of 'Protection System' within its asset management system (Maximo). A Comprehensive Regulatory Asset Management (CRAM) working group has been deployed to address hierarchy concerns and establish internal controls and reporting techniques.

RSC is working with the Facility Ratings group and site personnel to develop work plans to initiate validation of FAC-008 Facility Ratings in the field with the NYPA G&T ratings book and EMS models. A pilot program walkdown has been developed to initiate proper controls in validating Facility Ratings. CEC was the first site to begin the validation process in February. Blenheim-Gilboa and Flynn are also included in the pilot program and are scheduled to be visited in Q2 2023.

RSC is also collaborating with the Operations Portfolio Management group to better integrate compliance activities associated with new projects into its Utility Operations Project Portfolio (UOPP) process. All NYPA project teams should complete NERC compliance checklist(s) to determine NERC scoping for their respective projects. Failure to ensure NERC compliance prior to project commissioning may lead to significant reliability, regulatory and reputational risk to NYPA.

NERC Critical Infrastructure Protection (CIP) Standards

RSC coordinated with Cyber Security and Operations Technology to comment on CIP standards that do not specifically address virtualization. Due to the increasing use of virtualization in industrial control system environments, questions around treatment of virtualization within the CIP Standards are due for consideration. The Version 5 Transition Advisory Group (V5 TAG) transferred issues to the Version 5 standard drafting team (SDT) that were identified during the industry transition to implementation of the Version 5 CIP Standards. The latest set of changes address Virtualization and Cloud Computing. The new set of standards will impact existing terminology and associated NYPA CIP governance. Associated CIP-004 and CIP-011 standard changes have already been approved by industry, NERC and FERC with enforcement date of January 2024.

The new revisions related to Supply Chain Security became enforceable October 1, 2022. These set of changes addressed vendor remote access related security controls and expanded the applicability of supply chain standards to additional cyber systems - Electronic Access Control and Monitoring Systems (EACMS), PACS (Physical Access Control Systems) and Low-impact Cyber Systems. NYPA confirmed its existing Cyber Security Program incorporates these additional system types and associated controls.

Post NYPA's 2021 NPCC Audit, RSC and Operations Technology discovered areas requiring improvement to NYPA's implementation of this program. The new program changes went into effect August 1, 2022 and centralizes the periodic device management responsibilities with Operations Technology staff. TCA-RM Program Enhancements addressed:

- a) NYPA's CIP Audit Readiness for this ever-evolving set of Standards and Requirements.
- b) Risk management by helping ensure we have enough TCA/RM inventory to support our work but not more than we need.

- c) Centralize and track preventative maintenance on TCA devices to help mitigate software vulnerabilities and malicious code.
- d) Secure storage of devices when not in use.
- e) Ensure that everyone understands the work each device is authorized to support, the locations at which the work is authorized to be performed, the (software) tools needed to execute that work, the people authorized to perform that work and the work orders that required use of TCA/RM.
- f) Establish NYPA-wide training for all individuals who need to use or manage TCAs and RMs when performing their job functions.

FERC/NERC & Industry Discussions

During this reporting period NYPA participated in NERC and industry discussions on new/revised regulation:

- a) Effective April 1, 2023, a new NERC Reliability Standard on Cold Weather preparedness goes into effect. The primary purpose of Extreme Cold Weather Grid Operations, Preparedness, and Coordination project is to address reliability related findings from the Federal Energy Regulatory Commission (FERC), NERC, and Regional Entity Joint Staff Inquiry into the February 2021 Cold Weather Grid Operations. NYPA is developing formal cold weather plan(s) for each of its regional generation facilities.
- b) FERC approved a final rule on FERC 881 that will more efficiently utilize our nation's transmission grid and help lower costs for consumers by improving both the accuracy and transparency of transmission line ratings.
- c) NPCC DER Forum, which hopes to identify reliability challenges and opportunities regarding the proliferation of Distributed Energy Resources (DER).
- d) On November 17, 2022, FERC Commissioners approved an order and a notice of proposed rulemaking (NOPR) containing directives and proposed directives to NERC, to account for the increasing number of IBRs in the nation's resource mix.
- e) On December 15, 2022, FERC directed NERC to study the effectiveness of the existing reliability standard for physical security of the Bulk Power System and determine whether the standard needs to be improved. The order cites the need for continued vigilance against physical threats to the Bulk Power System, considering the recent increases in physical attacks on electrical substations that, in some instances, have cut power to tens of thousands of customers.
- f) RM22-3: Internal Network Security Monitoring - FERC ordered NERC to develop reliability standards within 15 months for high and medium cyber systems. Address baseline of network traffic, monitor for and detect unauthorized activity, identify anomalous activity to a high level of confidence.

QUALITY ASSURANCE

QA is performing most of the required factory inspections and vendor surveys in the US, Canada and western Europe. We continue to use a 3rd party inspector in China.

QA is continuing to support major procurements for New Niagara, Smart Path Connect, Y49, STAMP, T-LEM projects, and other major purchases for all NYPA generating and transmission facilities.

The NYPA Internal Audit findings related to QA were addressed and all of the recommendations are closed.

CODE COMPLIANCE

Annual Safety Inspections – end of 2022 results for NYPA reached 92% and Canals reached 87% with a target of 90%. Working with the sites to set up the 2023 inspections.

The Annual OSHA Crane Inspection program for 2022 at all NYPA sites was successfully completed. We continue supporting the creation of the OSHA Crane Inspection program for Canals.

The remaining low level NYPA Internal Audit recommendation in regard to providing an awareness of NYS Building Code training to affected departments is near completion as the training module is almost done.”

b. Procurement and Related Reports for New York Power Authority and Canal Corporation (January – December 2022)

On motion made and seconded, the following resolution, as recommended by the Governance Committee, was unanimously adopted.

RESOLVED, That pursuant to Section 2879 of the Public Authorities Law and the Procurement and Related Reports for New York Power Authority and Canal Corporation, as amended, be, and hereby are, approved;

Procurement and Related Reports
NYPA Procurement Contracts Summary
Disposal of Personal Property
Supplier Diversity Program (SDP)
Inventory Statistics
Fossil Fuels Activity
Corporate Finance Activity
Transfer of Interest in Personal Property to Canal Corporation
Canal Corporation Procurement Contracts Summary
Canal Corporation Disposal of Personal Property

AND BE IT FURTHER RESOLVED, That the Procurement and Related Reports, and hereby are, reviewed and approved; 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.

c. Annual Report of Procurement Contracts, Guidelines for Procurement Contracts and Annual Review of Open Procurement Service Contracts

On motion made and seconded, the following resolution, as recommended by the Governance Committee, was unanimously adopted.

RESOLVED, That pursuant to Section 2879 of the Public Authorities Law and the Authority's and Canal's Procurement Guidelines, the Governance Committee approves and recommends for adoption by the New York Power Authority Trustees and the Canal Corporation Board of Directors, the Annual Report of Procurement Contracts, and the Guidelines for the use, awarding, monitoring and reporting of Procurement Contracts, as amended, be, and hereby are, approved; and be it further

RESOLVED, That the open service contracts exceeding one year be, and hereby are, reviewed and approved; 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.

d. Annual Review and Approval of Guidelines and Procedures for the Disposal of Real Property, Acquisition of Real Property Annual Reports for the Disposal and Acquisition of Real Property, and Expenditure Authorization Procedures

On motion made and seconded, the following resolution, as recommended by the Governance Committee, was unanimously adopted.

RESOLVED, That pursuant to Section 2879 of the Public Authorities Law, the Governance Committee approves and recommends for adoption to the Trustees and the Canal Corporation Board of Directors, the Authority's and Canal's Guidelines for the Disposal of Personal Property, and the Authority's and Canal's Expenditure Authorization Procedures, as amended; and be it further

RESOLVED, That the open service contracts exceeding one year be, and hereby are, reviewed and approved; 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.

e. Annual Review and Approval of Guidelines and Procedures for the Disposal of Real Property, Acquisition of Real Property, Annual Reports for the Disposal and Acquisition of Real Property, and Expenditure Authorization Procedures

On motion made and seconded, the following resolution, as recommended by the Governance Committee, was unanimously adopted.

RESOLVED, That the Governance Committee recommends approval of the Authority's 2023 Real Property Disposal Guidelines, 2023 Real Property Acquisition Guidelines, 2022 Annual Report of the Disposal of Real Property in excess of \$15,000, 2022 Annual Report of the Acquisition of Real Property in excess of \$15,000, 2022 Report of Acquisition and Disposal of Real Property, and Expenditure Authorization Procedures to the Trustees and Board of Directors as required by Section C.5 of the Governance Committee Charter; and be it further

RESOLVED, that the Governance Committee recommends approval of the Canal Corporation's 2023 Canal Real Property Disposal Guidelines, 2023 Canal Real Property Acquisition Guidelines, 2022 Annual Report of the Disposal of Canal Real Property in excess of \$15,000, 2022 Annual Report of the Acquisition of Canal Real Property in excess of \$15,000, 2022 Report of Acquisition and Disposal of Real Property, and Expenditure Authorization Procedures to the Trustees and Board of Directors as required by Section C.5 of the Governance Committee Charter; 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, 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.

f. Annual Review and Approval of Certain Policies for New York Power Authority and Canal Corporation

On motion made and seconded, the following resolution, as recommended by the Governance Committee, was unanimously adopted.

RESOLVED, That the Governance Committee recommends that the New York Power Authority's Board of Trustees and the Canal Corporation's Board of Directors adopt the below listed policies pursuant to Section 2824 of the Public Authorities Law, Section 2 of Article II of the Authority's and the Canal Corporation's By-laws and Section (C)(1) of the Authority's and Canal Corporation Charters:

	NYPA Policy Name	Policy Number	Revision Date
1	Reimbursement of Employee Meal Costs	CAP 1-5	2/8/2023
2	Workplace Violence Policy	CP 1-8	8/1/2022
3	Reasonable Accommodation of Disabilities, Pregnancies and Domestic Violence for Employees	CP 1-11	7/15/2022
4	Reasonable Accommodation of Religious Observances or Practices Policy for Applicants and Employees	CP 1-12	7/18/2022
5	Equal Employment Opportunity, Anti-Harassment and Anti-Discrimination Policy	CP 1-14	7/18/2022
6	Gender-Based Violence and the Workplace Policy	CP 1-16	12/30/2022
7	Travel Policy	CP 2-1	03/21/2022
8	Ethics and Compliance Program	CP 6-9	5/17/2022
9	Recruitment and Job Posting	EP 1.2	2/4/2023
10	Transfer or Re-Employment in Public Service	EP 1.9	7/13/2022
11	Employee Background Investigations	EP 1.10	10/28/2022
12	Salary Administration	EP 2.1	9/23/2022
13	Management Non-Exempt and Facility- Based Exempt Overtime	EP 2.4	6/29/2022
14	Management Employee Categories and Eligibility for Benefits	EP 3.1	6/30/2022
15	Relocation Benefits for New and Transferred Employees	EP 3.8	6/6/2022
16	Management Time Away from Work	EP 3.12	6/30/2022
17	Fitness for Duty	EP 4.5	1/17/2023
18	Attendance and Flexible hours	EP 4.6	9/19/2022
19	No Smoking Policy	EP 4.7	10/19/2022
20	Anti-Retaliation Policy (Whistleblower)	CP 1-7	No Change
21	Code of Conduct		No Change
	Canal Corporation Policy Name	Policy Number	Revision Date
22	Assignment and Use of Canal Corporation Vehicles	CADM-POL-001	6/2/2022
23	Attendance Rules	CCP-2022-001	10/7/2022
24	Operations Work Management		3/24/2022
25	Positive Workplace Policy	CGP-2022-003	12/20/2022
26	Social Media	CADM-POL-002	6/17/2022
27	Acceptable Use Policy	CC-CP-2-7	3/7/2022
28	Consultant Engagement Policy	CADM-POL-003	6/28/2022
29	Gender Based Violence in the Workplace	CGP-2022-004	12/7/2022
30	Management Confidential Canal's Handbook	CCP-2021-001	10/2022

AND BE IT FURTHER RESOLVED, That the Governance Committee recommends that the Authority's Trustees and the Canal Corporation's Board of Directors authorize the Acting President and Chief Executive Officer to modify the foregoing policies, as necessary, except in the event that any powers, duties or obligations of the Trustees and Board of Directors would be affected by such modification; 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. |

**g. 2022 New York Power Authority and Canal Corporation
Annual Board Evaluation Pursuant to Sections 2800 and 2824
of the Public Authorities Law and Guidance of the Authorities
Budget Office**

On motion made and seconded, the following resolution, as recommended by the Governance Committee, was unanimously adopted.

RESOLVED, Pursuant to Sections 2800(1)(a)(15) and 2800(2)(a)(15) and Section 2824(7) of the Public Authorities Law and Guidance of the Authorities Budget Office, the Authority and Canal Board is required to annually submit a summary of the Board Evaluation to the Governor, the Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller and the Authorities Budget Office, within 90 days after the end of its fiscal year; and be it further

RESOLVED, the Governance Committee recommends the adoption of the 2022 Annual Board Evaluation Summary to the Authority's Board of Trustees and the Canal Corporation's Board of Directors as required by Section C (2) of the Governance Committee Charter; and be it further

RESOLVED, That pursuant to Sections 2800(1)(a)(15) and 2800(2)(a)(15) and Section 2824(7) of the Public Authorities Law and Guidance of the Authorities Budget Office, the 2022 Annual Board Evaluation Summary is hereby adopted and the Corporate Secretary is hereby authorized to submit to the Governor, the Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller, and the Authorities Budget the adopted 2022 summary; 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.

h. Annual Review and Approval of Guidelines for the Investment of Funds and 2022 Annual Report on Investment of Authority Funds

On motion made and seconded, the following resolution, as recommended by the Governance Committee, was unanimously adopted.

RESOLVED, That the Governance Committee recommends that the Trustees adopt the Annual Report on Investments of the Authority Funds, waives the quarterly report requirement for the first two quarters of 2022, and adopt the amended Guidelines for the Investment of Funds to support the continued growth of and strengthen the fiduciary controls over the internal investment portfolio as discussed in the foregoing memorandum of the Acting President and Chief Executive Officer; and be it further

RESOLVED, That Governance Committee recommends that the Trustees affirm that the Chair, the Vice Chair, the Acting President and Chief Executive Officer, and all other officers of the Authority, be 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.

i. Annual Report on New York Power Authority's 2022-2023 Mission Statement and Strategic Plan

On motion made and seconded, the following resolution, as recommended by the Governance Committee, was unanimously adopted.

RESOLVED, That the Governance Committee recommends that the Authority's Trustees approve the 2022-2023 Mission Statement and Strategic Plan at their March 22, 2023 meeting, as discussed in the foregoing memorandum of the President and Chief Executive Officer; 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.

j. Committee Appointments

On motion made and seconded, the following resolution, as recommended by the Governance Committee, was unanimously adopted.

RESOLVED, That the Governance Committee recommends that the New York Power Authority's Board of Trustees and the Canal Corporation's Board of Directors adopt the following Committee Appointments:

JOINT GOVERNANCE COMMITTEE

Michael A.L. Balboni, Bethaida Gonzalez (Chair), John R. Koelmel, Tracy B. McKibben, Dennis G. Trainor

JOINT AUDIT COMMITTEE

Michael A.L. Balboni, Bethaida Gonzalez, John R. Koelmel, Tracy B. McKibben, Dennis G. Trainor (Chair)

JOINT FINANCE COMMITTEE

Michael A.L. Balboni, Bethaida Gonzalez, John R. Koelmel, Tracy B. McKibben (Chair), Dennis G. Trainor

JOINT RISK AND RESILIENCY COMMITTEE

Michael A.L. Balboni (Chair), Bethaida Gonzalez, John R. Koelmel, **Tracy B. McKibben**, Dennis G. Trainor

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, 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. |

k. New York Power Authority and Canal Corporation By-Laws

On motion made and seconded, the following resolution, as recommended by the Governance Committee, was unanimously adopted.

RESOLVED, That the Governance Committee approves the combined By-Laws of the New York Power and Canal Corporation and recommends that the Authority's Trustees and the Canal Corporation's Board of Directors adopt the By-Laws at their upcoming meeting; 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, 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.

I. Governance Committee Charter

On motion made and seconded, the following resolution, as recommended by the Governance Committee, was unanimously adopted.

RESOLVED, That the New York Power Authority and Canal Corporation Governance Committee Charter be adopted; and be it further |

RESOLVED, That the Governance Committee recommends the adoption of the New York Power Authority and Canal Corporation amended Governance

Committee Charter by the Authority's Board of Trustees and Canal Corporation's Board of Directors; 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.

m. Approval of the Minutes of the Joint Meeting of the New York Power Authority and Canal Corporation Governance Committee held on September 29, 2002

On motion made and seconded the Minutes of the New York Power Authority and Canal Corporation's Governance Committee meeting held on March 29, 2022, were unanimously adopted.

6. Next Meeting

Chair Bethaida González stated that the next regular meeting of the Governance Committee will be held on October 10, 2023.

Closing

On motion made by Member Dennis Trainor and seconded by Member Michael Balboni the meeting adjourned at approximately 9:42 a.m.

Karen Delince

Karen Delince
Corporate Secretary