PROPOSED AGENDA
JOINT SPECIAL FINANCE COMMITTEE MEETING
Videoconference – April 23, 2020 at 9:00 a.m.

1. Adoption of the April 23, 2020 Proposed Special Meeting Agenda
2. Motion to Conduct an Executive Session
3. Motion to Resume Meeting in Open Session
4. DISCUSSION AGENDA:
   a. President and CEO Covid-19 Progress Report – Gil Quiniones
5. Next Meeting
April 23, 2020

**Motion to Conduct an Executive Session**

I move that the Committee conduct an executive session to discuss the financial and credit history of a particular corporation and matters regarding public safety and security (pursuant to §105 of the Public Officers Law).
April 23, 2020

Motion to Resume Meeting in Open Session

I move to resume the meeting in Open Session.
President & CEO COVID-19 Progress Report

Gil Quiniones
President & Chief Executive Officer

April 23, 2020
April 2020 NYPA Headlines

- Developing “Return To Work” (RTW) and re-entry plans
- Implementing safety and reliability related work at NYPA and Canals
- Launching Economic Development Customer Assistance Program
- Un-pausing select clean energy projects for NYPA customers who provide “essential services”
- Continuing our prudent financial management strategies to enhance liquidity and flexibility
- Managing the step by step process of our planned bond issuance in May 2020
Enterprise Operations
**Enterprise Operations**

**Future Actions**
- **Build out Return to Work ‘RTW’ Strategies**
  - Develop location/facility-based means of identifying and tracking cases of COVID-19 in workforce (NYPA & non-NYPA)
  - Establish and implement Environment Health and Safety protocols to ensure best practice in place as construction and workplace activities resume
  - Investigate the use of anti-body testing
  - Conduct planning scenarios and develop metrics and trigger points for revisiting RTW strategy
  - Develop plan for transitioning control room operators from sequestration for control room operators
  - Manage operational priorities in accordance with revised budget and NYS Executive Orders

**Implementation of Business Continuity and Pandemic Plans and Playbooks – Update**
- Incident Command Structure (ICS) in place with some modification to support the extended duration of this emergency
- Daily wellness screenings and temperature checks at all NYPA locations continue
- Sequestration of power plant control room and transmission control center operators continues. DOH has provided testing for all operators prior to sequestration
- Based on the most recent EO – all non-essential staff will work from home through May 15, 2020
- Protocols implemented to ensure adherence to Executive Order requiring the use of masks where social distancing is not practical and the City of WPO Order requiring masks within city limits

**Internal and external crisis communications system**
- Daily health survey
- Twice weekly senior staff meeting
- Weekly message from President & CEO
- Participation in weekly meetings to share intel/lessons learned - NY Utility CEOs, APPA, ESCC
Enterprise Operations

Return to Work Plans

- NYPA’s Deputy Incident Commander selected to join Exelon to lead “Responsible Re-Entry to the Workplace” for the ESCC
- Five lines of effort established for NYPA and Canals:
  i. Utility Operations
  ii. Continued Construction Projects
  iii. Office Employees
  iv. Permitting Work
  v. External Facing Support
Customer Connections
Customer Requests

- At customer request, NYPA has up-paused 21 essential projects (MTA, DEP, WC and others), and 13 critical safe and secure projects at health care facilities and local government facilities.

Energy Demand and Consumption Patterns

- NYC daily energy down average of 8% from March 15; number now leveling off.

Future Actions

Clean Energy Solutions

- Mobilize to restart work deemed as “essential” at customer facilities.
- Continue select remote work on projects to position NYPA for future “UNPAUSE”.
- Working with Environmental Health & Safety to establish and monitor health and safety protocols for all construction work.
- Work with sister agencies (NYSERDA, DPS, LIPA) to advise on “NY UNPAUSE” approach for energy sector.
- Continue customer communications informing of invoice relief, work stoppage, and account management support.

Wholesale Market Operations

- Continue with hedging, when prudent, for the rest of 2020 & future years to protect NYPA financial plan.

Other

- Continue to monitor O&M/capex for prudent expense management.

Recent Impacts on Daily Energy by Week
Customer Connections

Economic Development Customers

- Targeted frequent customer communications keeping them informed of invoice relief, work stoppage, and account management support
- Customer reported load reduction is approximately 4% for RNY statewide and 16% in Western NY
  - WNY load reduction hovers around 83 MW
  - Major drivers in SENY 500 MW merchant load shift comes from revised load projections provided by the MTA and the Port Authority

Economic Development Customer Assistance Program Participation

- 286 customers have applied for EDCAP participation; 42% enrollment with a value of $33.7 million

RNY Customer, Columbia University Librarians and wife of NYPA staff, produced 3D printed PPE for front line medical personnel. Recipients included multiple RNY participating hospitals.
Financial Management
Financial Management

Future Actions

- Track of projected expenditure reductions vs ‘actuals’ savings
- Continue to identify opportunities for reduction in discretionary expenditure
- Reevaluate baseline spending for future years based on identified conservation measures
- Continue with prudent hedging for the remainder of 2020 and into future years
- Refine expense reductions and build into “base case” budget going forward
- Continue with efforts to seek out reimbursement from all government stimulus plans to offset COVID-19 expenses
- Maintain a strong liquidity position for the foreseeable future
- Continue due diligence and mail Preliminary Offering Statement. Market offering, receive rating and pricing. Target 5/12 for Bond issuance

Gross Margin Drivers

- NYPA Gross Margin - $293M vs $335M budget due to sustained low energy prices (as of April 13th)
- Increased expenses due to COVID-19
- Expense reductions currently under review; not included in projected loss numbers above

Wholesale electricity

- Statewide prices down ~55% from Budget YTD
- Expected to remain ~25% below Budget for the remainder of the year

Hedging Strategy

- Merchant Energy: ~57% Hedged
- Merchant Capacity: ~72% Hedged
- Portfolio Risk (P5): $23 million

Cash Position

<table>
<thead>
<tr>
<th>Date</th>
<th>Cash and Investments</th>
<th>Credit Facility Avail</th>
<th>Issuance Proceeds</th>
<th>Total Liquidity</th>
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</thead>
<tbody>
<tr>
<td>3/31/2020</td>
<td>$635</td>
<td>$36</td>
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<td>$691</td>
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<tr>
<td>4/13/2020</td>
<td>$652</td>
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**Capex/Opex Reduction**
Efforts to conserve cash to meet short-term business needs and defer expenditure into 2021 - assuming a 6 month pause where possible, expenditures in the following categories have been re-evaluated resulting in 51% decrease in projected expenditure*
- Capital and O&M projects at NYPA and Canals
- Customer-sited energy solutions projects
- Reduction of discretionary expenses

**Restarted Projects ($400M)**
- Certain key projects related to the safety & security or reliability & functioning of NYPA’s critical assets and essential customer sited projects have been un-paused
- For construction projects, COVID-specific Health and Safety Plans are required and must be reviewed and approved by NYPA’s Environmental Health and Safety Team
- A subset of the continuing major projects representing approx. $250M is listed below:
  - Smart Path
  - AC Transmission
  - Transmission LEM
  - Next Generation Niagara
  - Lewiston Pump Generating Plant LEM
  - Battery Storage
  - Data Management
  - Customer-sited Energy Solutions

51% Capex/Opex Reduction ( $535M)
* This takes into account the continuing projects on the right
### Financial Management

#### Issuance of Series 2020 Revenue Bonds – Key Milestones
- Issue between $1 billion and $1.5 billion of debt depending on credit market conditions to meet the business needs of the Authority during this crisis and beyond in order to maximize financial flexibility of NYPA and extend much needed assistance to our economic development customers.

<table>
<thead>
<tr>
<th>Workstream</th>
<th>Weekly Timing</th>
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<tbody>
<tr>
<td>Rating Agency Meetings - <strong>Complete</strong></td>
<td>April 6th</td>
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<tr>
<td>Due Diligence Period</td>
<td>April 13th</td>
</tr>
<tr>
<td>Mail Preliminary Offering Statement</td>
<td>April 21st</td>
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<tr>
<td>Premarketing (Virtual Roadshow)</td>
<td>April 20th</td>
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<tr>
<td>Receive Ratings</td>
<td>April 24th</td>
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<tr>
<td>Deal Pricing</td>
<td>April 28th</td>
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<tr>
<td>Deal Close</td>
<td>May 12th</td>
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Next Meeting

The next regular meeting of the Joint Finance Committee is scheduled for May 14, 2020.