1. Adoption of the January 12, 2022 Proposed Meeting Agenda

2. Motion to Conduct an Executive Session

3. Motion to Resume Meeting in Open Session

4. DISCUSSION AGENDA:
   a. Financial Operations
      i. Chief Risk & Resilience Officer Report (Adrienne Lotto Walker)
      ii. Issuance of Bond and Funding for Separately Finance Projects (Adam Barsky)
          1. Proposed Issuance of Transmission Project Revenue Bonds
          2. Release of Additional Funds in Support of Separately Financed Projects
   
   b. Utility Operations
      i. Smart Path Connect Project – Steel Pole Structures and Anchor Bolt Cages – Recommendation for Contract Award (Andrew Boulais)

5. CONSENT AGENDA:
   a. Enterprise Risk & Resilience
      i. Enterprise Risk and Resilience Consulting Services – Recommendation for Award (Adrienne Lotto Walker)
   
   b. Strategic Supply Management
      i. Beechcraft King Air B350 Transfer of Ownership to the New York State Police (John Canale)

   c. Approval of the Joint Committee Meeting Minutes held on November 16, 2021

6. Next Meeting
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 (pursuant to §105 of the Public Officers Law).
January 12, 2022

**Motion to Resume Meeting in Open Session**

I move to resume the meeting in Open Session.
Today’s Agenda

**Topic:**

1. Approval of Risk Appetite Statement

2. Update on Maturity Roadmap

3. 2022 Merchant Gross Margin Multi-Year Hedging Strategy
Risk Appetite Statement

Adrienne Lotto Walker
VP, Chief Risk & Resilience Officer

January 12, 2022
Risk Appetite Statement Development

The NYPA Risk Appetite Statement was developed by Enterprise Risk Management, with feedback and consensus from Executive Management Committee members.

### Phase 1 Risk Appetite Statement Development Timeline

<table>
<thead>
<tr>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
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<tbody>
<tr>
<td>Review of Risk Appetite Statements (RAS) across industries</td>
<td>U.S. Agency For International Development RAS selected as a model</td>
<td>Executive Leadership surveyed to gather input on RAS risk categories and NYPA’s appetite for each risk</td>
<td>Draft RAS developed with defined risks and appetite ratings</td>
<td>RAS validated and re-socialized with the Executive Risk and Resilience Committee and the CEO</td>
<td>RAS presented to the Board of Trustees for feedback and guidance</td>
<td>Board of Trustee feedback incorporated into updated RAS</td>
<td>Executive Leadership working sessions developed metrics for each Risk Appetite category</td>
<td>RAS presented to the Board of Trustees for Approval</td>
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</table>

### RAS Updates
- Distinction between DEI and ESG risk appetite categories
- Increased emphasis on risk/reward tradeoff
- Addition of Reputational Risk policy

### Risk Appetite Category Metrics
- Board level and Business Unit level Key Risk Indicators (KRIs) in development
- Preliminary Board level KRIs identified for each risk appetite category
# Phase 2: Risk Appetite Key Risk Indicators

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Risk Appetite</th>
<th>Key Risk Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial and Availability of Capital Risks</strong></td>
<td>Low</td>
<td>- Liquidity Headroom</td>
</tr>
<tr>
<td></td>
<td>Moderate</td>
<td>- Fixed Charge Coverage Ratio</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>- ERRMC Annually approved target vs actual Capital + O&amp;M spend for Transformative capital projects</td>
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<td>- Total contracted and merchant hedged as a percent of total revenue portfolio</td>
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<td>- Target vs actual Cash Flow Available for Debt Service (CFADS) holds the current month forecast vs previous month and budget</td>
</tr>
<tr>
<td><strong>Operations Risks</strong></td>
<td>Low</td>
<td>- Canals General Condition Rating (GCR) trends</td>
</tr>
<tr>
<td></td>
<td>Moderate</td>
<td>- NYPA Commercial Availability</td>
</tr>
<tr>
<td><strong>Cyber and Physical Security Risks</strong></td>
<td>Low</td>
<td>- NYPA BitSight score</td>
</tr>
<tr>
<td></td>
<td>Moderate</td>
<td>- Count of critical applications successfully tested within the Recovery Time Objective (RTO) in the past year</td>
</tr>
<tr>
<td></td>
<td>High</td>
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<tr>
<td><strong>Supply Chain and Third-Party Risks</strong></td>
<td>Low</td>
<td>- Target vs actual completed supplier assessments (new and existing)</td>
</tr>
<tr>
<td></td>
<td>Moderate</td>
<td>- Negative alerts received on strategic/critical vendors vs mitigated alerts</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td></td>
</tr>
<tr>
<td><strong>New Venture and Strategic Initiative Risks</strong></td>
<td>Low</td>
<td>- Transformative and Growth programs with estimated return below original intended return (annual review minimum)</td>
</tr>
<tr>
<td></td>
<td>Moderate</td>
<td>- Transformative and Growth programs requesting $10M additional funding over originally approved Capital Expenditure Approval Request</td>
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<td></td>
<td>High</td>
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<tr>
<td><strong>Safety and Environmental Risks</strong></td>
<td>Low</td>
<td>- Count of fatalities on NYPA or Canals property (NYPA, Canals, and contractors)</td>
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<tr>
<td></td>
<td>Moderate</td>
<td>- Count of workers compensation claims (NYPA and Canals)</td>
</tr>
<tr>
<td></td>
<td>High</td>
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<tr>
<td><strong>Legal, Regulatory and Compliance Risks</strong></td>
<td>Low</td>
<td>- Monitored and engaged impactful legislative filings vs number of applicable filings at the federal, regional, or state level</td>
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<tr>
<td><strong>ESG Risks</strong></td>
<td>Low</td>
<td>- CO2 tons emitted and CO2 tons emitted as a % of planned target</td>
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<tr>
<td><strong>DEI Risks</strong></td>
<td>Low</td>
<td>- Target vs actual DEI initiatives status</td>
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<tr>
<td><strong>Extreme Weather Risks</strong></td>
<td>Low</td>
<td>- Hydro flow volumes (Current monthly forecast versus previous month and budget)</td>
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<td></td>
<td>Moderate</td>
<td>- Count of weather-related outages</td>
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<tr>
<td><strong>Talent Management and Labor Relations Risks</strong></td>
<td>Low</td>
<td>- Key personnel unplanned turnover</td>
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<tr>
<td></td>
<td>Moderate</td>
<td>- Time to fill vacancies</td>
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Questions?
NYPAs Path to Maturity
# NYPAn’s Path to Maturity

<table>
<thead>
<tr>
<th>Grouping</th>
<th>Maturity</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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<tbody>
<tr>
<td><strong>Align Risk, Strategy, and Performance</strong></td>
<td>Incorporate Risk Management in Strategy</td>
<td>RM encourages informed risk taking</td>
<td>Quantitative tolerances associated to risk appetite, with exceptions handled case-by-case</td>
<td>Risk exposures monitored against risk appetite, with exceptions handled case-by-case</td>
<td>Assess Business Resiliency Maturity</td>
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<td>Operationalize Risk Appetite</td>
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<td></td>
<td>Engage in Business Resiliency</td>
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<td><strong>Ensure Risk Governance</strong></td>
<td>Design Frameworks and Policies</td>
<td>Framework uncovers control gaps</td>
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<td></td>
<td>Manage Liaison/Champion Network</td>
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<td></td>
<td>Develop RM Skills and Capabilities</td>
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<td><strong>Manage RM Process</strong></td>
<td>Respond to Risks</td>
<td>Ongoing risk owner updates to risk management, and risk exposure changes are escalated</td>
<td>Constant approach to risk response, and response plans address root cause</td>
<td>Risk universe shared with risk and controls groups</td>
<td>RM keeps track of “near misses”</td>
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<td>Monitor Risks</td>
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<td>Work with Risk and Controls Groups</td>
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<td>Manage Emerging Risks</td>
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<td><strong>Enhance Risk Culture</strong></td>
<td>Foster Risk Awareness</td>
<td>Risk management educates front line staff</td>
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<td></td>
<td>Assign Accountability and Ownership</td>
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<td>Build Enterprise-wide Risk Management Skills</td>
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<tr>
<td><strong>Ensure Regulatory Compliance</strong></td>
<td>Enable Regulatory Compliance</td>
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2022 Merchant Gross Margin Multi-Year Hedging Strategy

Bryan Chan – Director, Market Analysis & Hedging
Earl Faunlagui – Sr. Director, Market & Commodities Risk
Adrienne Lotto Walker – VP, Chief Risk & Resilience Officer
Hedging Strategy is successfully reducing Merchant Risk

Trading Activity

Risk Reduction

Note: * as of 11/30/21 model runs
High level strategy to remain consistent moving into 2022

*Market experience and budget alignment to be incorporated*

**Hedging Highlights**

- **2021 MGM**: $300M expected (~$30M above target of $272M)
- **2022 Merchant Portfolio**: executed strategy (minimum 65% hedged by year end)
- **2022 update**: Prompt year targets to be achieved by end of August to align with Budget process
Commodity Hedge Program: Risk Management

Governance

- Oversight by the Executive Risk & Resilience Management Committee
- Policy & Procedures
- Strategy & Hedge Instrument Authorization
- Transaction Limits
- Assign User Access

Monitoring

- **Reporting**
  - Portfolio Valuation
  - Trade Activity Adherence to Approved Strategy
  - Executed Trade Validation
  - Trustee-Level Key Risk Indicators

- **Analytics**
  - Hedge Effectiveness Testing
  - Quantify Potential Market Price Movements
  - Model Input Validation
  - Counterparty Exposure & Margin Requirements

Escalation Path to the Chief Risk & Resilience Officer, Chief Financial Officer and the Trustees
Questions?
Date: January 12, 2022

To: THE FINANCE AND RISK COMMITTEE

From: THE PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Proposed Issuance of Transmission Project Revenue Bonds

SUMMARY

The Trustees, at their December 7, 2021 meeting, approved and adopted a resolution authorizing the Proposed Issuance of One or More Series of Transmission Project Revenue Bonds and Related Actions and Approvals (the “December 2021 Resolution”). Pursuant to such resolution, the Transmission Project Revenue Bonds will not constitute a general obligation of the Authority but will be limited obligations of the Authority secured and payable solely from the Trust Estate established by the General Resolution authorizing Transmission Project Revenue Obligations (the “Transmission Project Bond Resolution”), as described below.

The Transmission Project Bond Resolution requires that the issuance of each series of Transmission Project Revenue Bonds by the Authority be authorized by a supplemental resolution or resolutions of the Authority adopted at or prior to the time of issuance. At their December 7, 2021 meeting, the Trustees approved and adopted the First Supplemental Resolution Authorizing Transmission Project Revenue Bonds, supplemental to the Transmission Project Bond Resolution (the “First Supplemental Resolution”), in the December 2021 Resolution, which authorizes the issuance of one or more series of Transmission Project Revenue Bonds for the purpose of funding the Central East Energy Connect Project and costs in connection with such bonds as described in the First Supplemental Resolution.

At their January 25, 2022 meeting, the Trustees will be requested to approve and authorize the amendment and restatement of the First Supplemental Resolution, a form of which amended and restated First Supplemental Resolution is attached hereto as Exhibit A. Such amendment and restatement will include the Smart Path Transmission Project as an additional Separately Financed Project and increase the principal amount of bonds authorized to be issued, as described below, and allow for the establishment of operating and debt service reserve funds.

The Trustees will also be requested to approve and authorize the designation of the Smart Path Transmission Project as a Separately Financed Project under Section 203 of the General Resolution Authorizing Revenue Obligations, adopted February 24, 1998, as
amended and supplemented (the “General Resolution”) and to approve related determinations and findings as described below.

Issuance of Transmission Project Revenue Bonds to fund the Smart Path Transmission Project, along with the Central East Energy Connect Project, will improve the Authority’s liquidity, will allow for additional capital for the Authority’s existing and future programs across New York State, and will improve the Authority’s General Resolution credit metrics.

The Finance and Risk Committee is requested to recommend to the Trustees the approval of the aforementioned resolution.

BACKGROUND

As deemed feasible and advisable by the Trustees, the Authority has been authorized to finance, design, develop, construct, implement, and administer certain transmission facilities. See, e.g., Public Authorities Law §1005(8)(c) and §1005(26)(a). Under the Act, the Authority is authorized to issue bonds for the purpose of financing any authorized project and to issue notes in the same manner as bonds. See, e.g., Public Authorities Law §1010 and §1009-a. The proceeds of such bonds may be used to finance new and existing transmission projects that have regulated rates of return. The issuance of Transmission Project Revenue Bonds under the Transmission Project Bond Resolution will further improve NYPA’s liquidity, allow for additional capital for existing and future programs across New York State, and improve the Authority’s General Resolution credit metrics.

The projects authorized under the Transmission Project Bond Resolution will be authorized for the Authority’s new and existing transmission projects that have regulated rates of return. The regulated return transmission projects are expected to be derived from three different regulated return cost recovery options: the NYPA Transmission Adjustment Charge (“NTAC”), Federal Energy Regulatory Commission (“FERC”) Order 1000 projects and New York State Public Service Commission (“PSC”) Priority Transmission projects. Prior to being deemed a Transmission Project under the Transmission Project Bond Resolution, it will have received a FERC-approved rate recovery. Other transmission projects that do not have a regulated rate of return will not be included in this financing facility and will be financed via other financing structures.

The Smart Path Transmission Project involves the replacement of a portion of the Moses Adirondack lines, consisting of 78 circuit-miles of 230kV transmission line from Massena to the Town of Croghan in Lewis County and includes the replacement of wood pole structures with steel and an update of a failing conductor.

DISCUSSION

Section 203 of the General Resolution permits the Authority to issue bonds, notes, or other obligations or evidences of indebtedness, other than Obligations (as defined in the
General Resolution), for any project authorized by the Act or by other applicable State statutory provisions, and permits the Authority to finance any such project from other available funds as “Separately Financed Projects” if the debt service on such bonds, notes, or other obligations or evidences of indebtedness, if any, and the Authority’s share of any operating expenses related to such Separately Financed Project, are payable solely from the revenues or other income derived from the ownership or operation of such Separately Financed Project or from other funds withdrawn by the Authority pursuant to paragraph (e) of subsection 1 of Section 503 of the General Resolution.

To ensure that Transmission Projects are Separately Financed Projects under the General Resolution, the Transmission Project Bond Resolution sets forth several determinations and requirements to ensure the separateness from projects financed under the General Resolution, including the following:

(i) the Authority will approve and adopt the Transmission Project Bond Resolution which will create a separate stand-alone bond resolution providing for the issuance of Transmission Project Revenue Bonds which will be separately secured bonds;

(ii) Transmission Project Revenue Bonds will be issued under the Transmission Project Resolution and by a supplemental resolution or resolutions adopted at or prior to the time of issuance;

(iii) the Authority will pay the debt service issued to finance the Transmission Projects and the Authority’s share of any operating expenses related to the Transmission Projects solely from revenues of such Transmission Projects or from funds withdrawn by the Authority from the General Resolution Operating Fund pursuant to section 503(1)(e) of the General Resolution; and

(iv) the Authority will be required to keep the funds and accounts established under the Transmission Project Bond Resolution separate and distinct from those established under the General Resolution or any other bond resolution.

As noted above, the Trustees are requested to approve and authorize the designation of the Smart Path Transmission Project by designated officers as a Separately Financed Project and to authorize the determinations described above. Additionally, the Authority will determine that the designation of the Smart Path Transmission Project as a Separately Financed Project will not adversely affect the ability of the Authority to comply with the requirements of the General Resolution.

In connection with projects funded under the Transmission Project Bond Resolution (“Separately Financed Transmission Projects”), the Authority will receive revenue, pay costs and finance the construction and/or acquisition of transmission projects identified by the Trustees that are approved by FERC and part of the New York Independent System Operator Open Access Transmission Tariff (“OATT”). The Transmission Project Revenue Bonds will be
backed solely by the net revenue of designated Transmission Projects, liquidity and reserves within the Transmission Project Bond Resolution which will constitute the Trust Estate under the Transmission Project Bond Resolution.

Concurrently with the issuance of each series of the Transmission Project Revenue Bonds, proceeds of such bonds will be applied by the Authority (i) to reimburse the Authority for all costs of the Separately Financed Transmission Projects previously paid which amounts will be deposited into the Operating Fund under the General Resolution pursuant to Section 503 of the General Resolution and (ii) pay all subsequent costs of the Transmission Project along with other expenses as more fully described in the attachments hereto.

Staff is preparing for the issuance and sale of Transmission Project Revenue Bonds through a either a negotiated sale or pursuant to a direct placement to one or more of the prequalified investment banking firms approved by the Board of Trustees in March 2020. Staff anticipates up to $800 million in Transmission Project Revenue Bonds may be sold in this manner on or before June 30, 2022.

FISCAL INFORMATION

Staff believes that authorization of the amendment and restatement of the First Supplemental Resolution and issuance of Transmission Project Revenue Bonds will improve the Authority’s liquidity, allow for additional capital for the Authority’s transmission projects across New York State and improve the Authority’s General Resolution credit metrics. Transmission Project Revenue Bonds being separately secured obligations will also permit the Authority to issue bonds and provide financing to customers without requiring such bonds to be backed by the general credit of the Authority thereby providing additional bonding capacity under the Authority’s General Resolution.

RECOMMENDATION

The Executive Vice President and Chief Financial Officer requests that the Finance and Risk Committee recommends that the Trustees adopt the attached authorizing resolutions.

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

Justin E. Driscoll
Interim President and Chief Executive Officer
RESOLUTION

RESOLVED, that the Finance and Risk Committee hereby recommends that the Trustees approve and adopt the resolution authorizing the Proposed Issuance of One or More Series of Transmission Project Revenue Bonds and Related Actions and Approvals (attached hereto as Exhibit 1), with such amendments, supplements, changes, insertions and omissions thereto as may be approved by the Chairman or the President and Chief Executive Officer, which amendments, supplements, insertions and omissions shall be deemed to be part of such resolution as approved and adopted hereby, to provide for the issuance of special obligations of the Authority for the purpose of financing transmission projects and related costs; and be it further

RESOLVED, That the Finance and Risk Committee recommends that the Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer, or Treasurer be authorized and directed by the Trustees, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents that they, or any of them, may deem necessary or advisable to effectuate the foregoing resolutions, subject to approval as to the form thereof by the Executive Vice President and General Counsel.
POWER AUTHORITY OF THE STATE OF NEW YORK

PROPOSED ISSUANCE OF ONE OR MORE SERIES OF TRANSMISSION PROJECT REVENUE BONDS AND RELATED ACTIONS AND APPROVALS

WHEREAS, the Power Authority of the State of New York (the “Authority”) has previously provided for the issuance of special obligations of the Authority for the purpose of financing transmission projects and related costs by adopting a General Resolution Authorizing Transmission Project Revenue Obligations (the “Transmission Project Bond Resolution”) which authorizes special obligations of the Authority, in accordance with the terms thereof for any of the lawful purposes specified therein in a resolution of the Authority adopted December 7 2021 (the “December 2021 Resolution”);

WHEREAS, the Transmission Project Bond Resolution requires that the issuance of each series of Obligations (as defined therein) by the Authority shall be authorized by a supplemental resolution or resolutions of the Authority adopted at or prior to the time of issuance, subject to further delegation to certain officers to establish the details of the terms of such Obligations;

WHEREAS, the Trustees have previously adopted a First Supplemental Resolution to the Transmission Project Bond Resolution (the “First Supplemental Resolution”), which authorizes the issuance of one or more series of Transmission Project Revenue Bonds (the “Series 2022A Transmission Bonds”) in an aggregate principal amount of not more than $300,000,000 for the purpose of financing and reimbursing all capital costs of the Central East Energy Connect Transmission Project and other costs described in the First Supplemental Resolution:

WHEREAS, the Authority wishes to amend the First Supplemental Resolution to provide for the issuance of the Series 2022A Transmission Bonds for the additional purpose of financing or reimbursing all capital costs of the Smart Path Transmission Project such that the Series 2022A Transmission Bonds could be issued, in one or more series or subseries and simultaneously or at different times in an aggregate principal amount of not more than $800,000,000, for the following purposes: (i) to finance and/or reimburse all capital costs (including any preparatory legal, administrative, engineering, consulting and technical services) and other costs incurred but not yet recovered by the Authority in connection with the Central East Energy Connect Transmission Project and the Smart Path Transmission Project (collectively, the “Series 2022A Transmission Projects”); (ii) to fund the Operating Reserve Account, if necessary or desirable; (iii) to fund a debt service reserve fund, if necessary or desirable, and (iv) to pay financing costs related to the issuance of such obligations, including underwriters’ discount, structuring fees, any insurance premiums, credit enhancement or liquidity fees related to obtaining any municipal bond insurance policy, other credit enhancement or liquidity facilities determined to be necessary or desirable and other costs incurred by the Authority in connection therewith;

WHEREAS, implementation of the proposed revised plan of finance will depend upon market conditions and other factors, and as a result thereof, the Authority may issue the Series 2022A Transmission Project Bonds as fixed rate or variable rate bonds, as tax-exempt or taxable bonds, or as combinations thereof, or may issue bond anticipation notes to be repaid with the Series 2022A Transmission Project Bonds;
WHEREAS, to the extent that Series 2022A Transmission Project Bonds are issued bearing fixed rates, such Series 2022A Transmission Project Bonds, at the date of their issuance, shall have a true interest cost not to exceed 5 percent, and to the extent that any Series 2022A Transmission Project Bonds are issued bearing variable rates, the initial rate or rates applicable to such Series 2022A Transmission Project Bonds at the date of their issuance shall not exceed 4 percent;

WHEREAS, it is anticipated that the Series 2022A Transmission Project Bonds may be marketed, sold or placed in accordance with one or more contracts of purchase or placement, financing or forward purchase or delivery agreements entered into entered into by the Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer, or Treasurer (each a “Designated Officer”) and the bonds marketed in accordance with the terms of the December 2021 Authorizing Resolution as amended and supplemented by this resolution; and

WHEREAS, the Finance Committee of the Trustees has reviewed and considered the proposed issuance of the Series 2022A Transmission Project Bonds and the associated revised plan of finance and has recommended the approval thereof.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

Section 1. The amended and restated First Supplemental Resolution in the form presented to this meeting (attached hereto as Exhibit A) and made a part of this resolution as though set forth in full herein, is hereby approved and adopted. The Designated Officers shall be, and each of them hereby is, authorized on behalf of the Authority to deliver the amended and restated First Supplemental Resolution to the Trustee (as defined in the Transmission Project Bond Resolution), with such amendments, supplements, changes, insertions and omissions thereto as may be approved by the Chairman or the President and Chief Executive Officer, which amendments, supplements, insertions and omissions shall be deemed to be part of such resolution as approved and adopted hereby.

Section 2. One or more series of the Series 2022A Transmission Project Bonds in an aggregate principal amount of not more than $800,000,000 shall be sold, subject to the limitations described below, to underwriters selected by a Designated Officer in accordance with the December 2021 Authorizing Resolution or privately placed with one or more investors or financial institutions, at such prices and such bonds shall be marketed, all as any Designated Officer may approve in accordance with the December 2021 Authorizing Resolution and as will be in compliance with the requirements of the First Supplemental Resolution as amended and restated pursuant to this resolution.

Section 3. The following determinations are hereby made:

(a) The operation of the Series 2022A Transmission Projects as Projects under the General Resolution Authorizing Projects adopted on February 24, 1998 (the “General Resolution”) is not essential to the maintenance and continued operation of the Authority's Projects (as defined in the General Resolution).

(b) The Series 2022A Transmission Projects constitute, and is hereby designated as, and shall each be, a Separately Financed Project, as defined in the General Resolution and a Transmission Project as defined in the Transmission Project Resolution.
In furtherance of and consistent with the foregoing: (i) Any General Resolution funds spent by the Authority on the Series 2022A Transmission Projects (including, but not limited to, any preparatory legal, administrative, engineering, consulting and technical services, Capital Costs or Operating Expenses) not yet recovered by the Authority or funded with moneys withdrawn from the lien of the General Resolution by the Authority pursuant to paragraph (e) of subsection 1 of Section 503 of the General Resolution shall be fully reimbursed by the proceeds of the Series 2022A Transmission Project Bonds; and

(ii) Following such reimbursement, any costs related to construction, maintenance or operation of the Series 2022A Transmission Projects or otherwise allocable to the Series 2022A Transmission Projects shall be paid from proceeds of Obligations issued under this Resolution, from Revenues (as defined in the Transmission Project Resolution), or from other funds of the Authority withdrawn from the lien of the General Resolution by the Authority pursuant to paragraph (e) of subsection 1 of Section 503 of the General Resolution.

(c) The designation of the Series 2022A Transmission Projects as Separately Financed Projects will not adversely affect the ability of the Authority to comply with the requirements of the General Resolution, including, without limitation the rate covenant contained therein.

(d) Revenues derived from the operation of the Series 2022A Transmission Projects are revenues derived from the operation of Separately Financed Projects as defined in the General Resolution and are not part of Revenues as defined in the General Resolution.

(e) Expenses associated with the operation of the Series 2022A Transmission Projects and debt service on Obligations issued under the Transmission Project Bond Resolution shall not be payable from Revenues as defined under the General Resolution, unless such funds are released from the lien of the General Resolution pursuant to the terms thereof.

Section 4. Except as expressly amended and supplemented hereby, the December 2021 Authorizing Resolution is hereby ratified and confirmed.

Section 5. The Designated Officers, and all other officers of the Authority shall be, and each of them hereby is, authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to effectuate the foregoing resolutions.
EXHIBITS

Exhibit A:

First Supplemental Resolution to the Transmission Project Bond Resolution, as amended and restated
POWER AUTHORITY OF THE STATE OF NEW YORK

PROPOSED ISSUANCE OF ONE OR MORE SERIES OF TRANSMISSION PROJECT REVENUE BONDS AND RELATED ACTIONS AND APPROVALS

WHEREAS, the Power Authority of the State of New York (the “Authority”) has previously provided for the issuance of special obligations of the Authority for the purpose of financing transmission projects and related costs by adopting a General Resolution Authorizing Transmission Project Revenue Obligations (the “Transmission Project Bond Resolution”) which authorizes special obligations of the Authority, in accordance with the terms thereof for any of the lawful purposes specified therein in a resolution of the Authority adopted December 7, 2021 (the “December 2021 Resolution”);

WHEREAS, the Transmission Project Bond Resolution requires that the issuance of each series of Obligations (as defined therein) by the Authority shall be authorized by a supplemental resolution or resolutions of the Authority adopted at or prior to the time of issuance, subject to further delegation to certain officers to establish the details of the terms of such Obligations;

WHEREAS, the Trustees have previously adopted a First Supplemental Resolution to the Transmission Project Bond Resolution (the “First Supplemental Resolution”), which authorizes the issuance of one or more series of Transmission Project Revenue Bonds (the “Series 2022A Transmission Bonds”) in an aggregate principal amount of not more than $300,000,000 for the purpose of financing and reimbursing all capital costs of the Central East Energy Connect Transmission Project and other costs described in the First Supplemental Resolution;

WHEREAS, the Authority wishes to amend the First Supplemental Resolution to provide for the issuance of the Series 2022A Transmission Bonds for the additional purpose of financing or reimbursing all capital costs of the Smart Path Transmission Project such that the Series 2022A Transmission Bonds could be issued, in one or more series or subseries and simultaneously or at different times in an aggregate principal amount of not more than $800,000,000 for the following purposes: (i) to finance and/or reimburse all capital costs (including any preparatory legal, administrative, engineering, consulting and technical services) and other costs incurred but not yet recovered by the Authority in connection with the Central East Energy Connect Transmission Project and the Smart Path Transmission Project (collectively, the “Series 2022A Transmission Projects”); (ii) to fund the Operating Reserve Account, if necessary or desirable; (iii) to fund a debt service reserve fund, if necessary or desirable, and (iv) to pay financing costs related to the issuance of such obligations, including underwriters’ discount, structuring fees, any insurance premiums, credit enhancement or liquidity fees related to obtaining any municipal bond insurance policy, other credit enhancement or liquidity facilities determined to be necessary or desirable and other costs incurred by the Authority in connection therewith;

WHEREAS, implementation of the proposed revised plan of finance will depend upon market conditions and other factors, and as a result thereof, the Authority may issue the Series 2022A Transmission Project Bonds as fixed rate or variable rate bonds, as tax-exempt or taxable...
bonds, or as combinations thereof, or may issue bond anticipation notes to be repaid with the Series 2022A Transmission Project Bonds;

WHEREAS, to the extent that Series 2022A Transmission Project Bonds are issued bearing fixed rates, such Series 2022A Transmission Project Bonds, at the date of their issuance, shall have a true interest cost not to exceed 5 percent, and to the extent that any Series 2022A Transmission Project Bonds are issued bearing variable rates, the initial rate or rates applicable to such Series 2022A Transmission Project Bonds at the date of their issuance shall not exceed 4 percent;

WHEREAS, it is anticipated that the Series 2022A Transmission Project Bonds may be marketed, sold or placed in accordance with one or more contracts of purchase or placement, financing or forward purchase or delivery agreements entered into entered into by the Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer, or Treasurer (each a “Designated Officer”) and the bonds marketed in accordance with the terms of the December 2021 Authorizing Resolution as amended and supplemented by this resolution; and

WHEREAS, the Finance Committee of the Trustees has reviewed and considered the proposed issuance of the Series 2022A Transmission Project Bonds and the associated revised plan of finance and has recommended the approval thereof.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

Section 1. The amended and restated First Supplemental Resolution in the form presented to this meeting (attached hereto as Exhibit A) and made a part of this resolution as though set forth in full herein, is hereby approved and adopted. The Designated Officers shall be, and each of them hereby is, authorized on behalf of the Authority to deliver the amended and restated First Supplemental Resolution to the Trustee (as defined in the Transmission Project Bond Resolution), with such amendments, supplements, changes, insertions and omissions thereto as may be approved by the Chairman or the President and Chief Executive Officer, which amendments, supplements, insertions and omissions shall be deemed to be part of such resolution as approved and adopted hereby.

Section 2. One or more series of the Series 2022A Transmission Project Bonds in an aggregate principal amount of not more than $800,000,000 shall be sold, subject to the limitations described below, to underwriters selected by a Designated Officer in accordance with the December 2021 Authorizing Resolution or privately placed with one or more investors or financial institutions, at such prices and such bonds shall be marketed, all as any Designated Officer may approve in accordance with the December 2021 Authorizing Resolution and as will be in compliance with the requirements of the First Supplemental Resolution as amended and restated pursuant to this resolution.

Section 3. The following determinations are hereby made:

(a) The operation of the Series 2022A Transmission Projects as a Project under the General Resolution Authorizing Projects adopted on
EXHIBITS

Exhibit A:

First Supplemental Resolution to the Transmission Project Bond Resolution, as amended and restated
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POWER AUTHORITY OF THE STATE
OF NEW YORK

FIRST SUPPLEMENTAL RESOLUTION

authorizing

TRANSMISSION PROJECT REVENUE OBLIGATIONS

Adopted on December 7, 2021,
as amended and restated on January 25, 2022
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FIRST SUPPLEMENTAL RESOLUTION

authorizing

REVENUE OBLIGATIONS

BE IT RESOLVED by the Trustees of the Power Authority of the State of New York (the “Authority”) as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

101. **Supplemental Resolution; Authority.** This resolution, adopted on December 7, 2021, as amended and restated on January 25, 2022 (“First Supplemental Resolution”), is supplemental to, and is adopted in accordance with Article VIII of a resolution adopted by the Authority on December 7, 2021, entitled “General Resolution Authorizing Transmission Project Revenue Obligations” (“Transmission Project Resolution” and, as heretofore amended and supplemented and collectively with the First Supplemental Resolution, the “Resolution”), and is adopted pursuant to the provisions of the Act.

102. **Definitions.** (a) All terms which are defined in Section 101 of the Transmission Project Resolution shall have the same meanings for purposes of this First Supplemental Resolution.

(b) In this First Supplemental Resolution:

“**Beneficial Owner**” means, for any Bond which is held by a nominee, the beneficial owner of such Bond.

“**Bonds,** “**Bonds of a Series,**” or “**Bonds of any Series**” and words of like import shall mean each or all of a Series of Bonds issued pursuant hereto collectively, as the context may require.

“**Central East Energy Connect Transmission Project**” means Authority’s rights and interests in the Central East Energy Connect project to be jointly developed with LSPG-NY, which includes replacement of National Grid’s two existing 80-mile 230 kV transmission lines with a new 86-mile double-circuit 345 kV line from the Edic substation in Oneida County, New York, to the New Scotland 345 kV substations, and the addition of a new Princetown 345 kV switchyard in between Edic and New Scotland to connect to the Rotterdam substation, as may be more particularly described in a Certificate of Determination.

“**Certificate of Determination**” means any certificate of the Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer or Treasurer of the
Authority delivered pursuant to Section 204 of this First Supplemental Resolution, setting forth certain terms and provisions of the Bonds.

“Commercial Paper Rate,” with respect to Bonds of a Series, has the meaning set forth in the applicable Certificate of Determination.

“Commercial Paper Rate Mode” means the mode during which Bonds of a Series bear interest at a Commercial Paper Rate in accordance with the applicable Certificate of Determination.

“Credit Facility” means, with respect to any Series of the Bonds, a Credit Facility as defined in the Transmission Project Resolution.

“Credit Facility Issuer” means the issuer of the Credit Facility specified in Section 308 hereof.

“Daily Rate,” with respect to Bonds of a Series, has the meaning set forth in the applicable Certificate of Determination.

“Daily Rate Mode” means the mode during which Bonds of a Series bear interest at a Daily Rate in accordance with the applicable Certificate of Determination.

“Depository Participant” means any Person for which the Securities Depository holds Bonds as securities depository.

“DTC” means The Depository Trust Company, New York, New York, or its successors.

“Fiduciary” or “Fiduciaries” means any Fiduciary (as defined in the Transmission Project Resolution) and any Tender Agent, or any or all of them, as may be appropriate.

“Fixed Rate” means an interest rate fixed to the Maturity Date of the Bonds of a Series.

“Fixed Rate Mode” means the mode during which Bonds of a Series bear interest at a Fixed Rate in accordance with the applicable Certificate of Determination.

“Interest Period,” with respect to a Series of Bonds, has the meaning set forth in the applicable Certificate of Determination.

“Liquidity Facility” means any standby bond purchase agreement, letter of credit or similar obligation, arrangement or instrument issued or provided by a bank, insurance company or other financial institution which provides for payment of all or a portion of the Purchase Price (including accrued interest) of the Bonds of any Series that may be obtained by the Authority pursuant to Section 308 hereof.

“Liquidity Facility Issuer” means the issuer of a Liquidity Facility.
“Mandatory Purchase Date” for any Series of Bonds, means any date specified as such in the applicable Certificate of Determination.

“Maturity Date” means, with respect to any Bond, the final date specified therefor in the applicable Certificate of Determination, which shall not be later than fifty years after the date of issuance.

“Maximum Rate” means for Bonds of a Series, such rate as may be specified in the applicable Certificate of Determination; provided, however, that in no event shall the Maximum Rate exceed the maximum rate permitted by applicable law.

“Mode” means the Daily Rate Mode, Term Rate Mode, the Weekly Rate Mode, the Fixed Rate Mode or any other method of determining the interest rate applicable to Bond of a Series permitted under the applicable Certificate of Determination.

“Mode Change Date” means, with respect to Bonds of a Series, the date one Mode terminates and another Mode begins.

“Purchase Date” for Bonds of a Series shall have the meaning set forth in the applicable Certificate of Determination.

“Purchase Fund” means a fund by that name that may be established by a Certificate of Determination pursuant to Section 303 hereof.

“Purchase Price” means the price at which Bonds subject to optional or mandatory tender for purchase are to be purchased as may be provided in the Certificate of Determination.

“Remarketing Agent” means the remarketing agent at the time serving as such for the Bonds of a Series (or portion thereof) pursuant to Section 402 hereof.

“Series 2022 Bonds” shall mean all the Bonds delivered on issuance in a transaction as identified pursuant to Sections 201 and 203 hereof or as identified in the Certificate of Determination regardless of variations in maturity, interest rate, or other provisions.

“Securities Depository” shall mean DTC as the Securities Depository appointed pursuant to Section 203(f) hereof, or any substitute Securities Depository, or any successor to DTC or any substitute Securities Depository.

“Smart Path Transmission Project” shall mean the Authority’s rights and interest in the Smart Path Reliability Project for the replacement of a portion of the Moses Adirondack lines, consisting of 78 circuit-miles of 230kV transmission line from Massena to the Town of Croghan in Lewis County and includes the replacement of wood pole structures with steel and an update of a failing conductor, as may be more particularly described in a Certificate of Determination.

“Tender Agent” means the Trustee as tender agent appointed for the Bonds pursuant to Section 403 hereof.
“**Term Rate,**” with respect to Bonds of a Series (or portion thereof), has the meaning set forth in the applicable Certificate of Determination.

“**Term Rate Mode**” means the mode during which Bonds of a Series (or portion thereof) bear interest at a Term Rate in accordance with the applicable Certificate of Determination.

“**2022 Transmission Projects**” means, collectively, the Central East Energy Connect Transmission Project and the Smart Path Transmission Project.

“**Weekly Rate,**” with respect to Bonds of a Series, has the meaning set forth in the applicable Certificate of Determination.

“**Weekly Rate Mode**” means the mode during which Bonds of a Series bear interest at a Weekly Rate in accordance with the applicable Certificate of Determination.
ARTICLE II

AUTHORIZATION OF BONDS

201. **Principal Amount, Designation and Series.** Pursuant to the provisions of the Transmission Project Resolution, one or more Series of Obligations entitled to the benefit, protection and security of such provisions are hereby authorized with the following designations, or such other designations as shall be set forth in the Certificate of Determination: the “Green Transmission Project Revenue Obligations, Series 2022”. The aggregate principal amount of each Series of Bonds shall be set forth in the Certificate of Determination relating to the respective Bonds; provided that the aggregate principal amount of such Bonds outstanding at any time shall not exceed $800,000,000. Individual maturities of the Bonds or portions thereof may bear such additional designations, if any, as may be set forth in the related Certificate of Determination. To the extent so provided in the applicable Certificate of Determination, any such Obligations may alternatively be designated as “Notes” and any reference herein to a Series of Bonds shall also refer to Obligations designated as Notes. In the event that any Series of Bonds is not issued in calendar year 2022, the applicable Certificate of Determination may (i) redesignate the year and Series of such Bonds and (ii) make any other conforming changes deemed necessary or appropriate to reflect the year of issuance. Each Series shall initially bear interest in accordance with the Mode as may be provided by the applicable Certificate of Determination.

202. **Purposes.** (a) The purposes for which the Bonds of any Series are to be issued shall include such of the following as shall be specified in the applicable Certificate of Determination:

(i) financing and reimbursing of all Capital Costs (including any preparatory legal, administrative, engineering, consulting and technical services) and other costs incurred but not yet recovered by the Authority in connection with the Central East Energy Connect Transmission Project and the Sound Path Transmission Project,

(ii) funding one or more Operating Reserve Accounts, if necessary or desirable,

(iii) funding a deposit to the Operating Fund, if necessary or desirable,

(iv) funding a deposit to the Debt Service Fund, if necessary or desirable,

(v) funding a debt service reserve fund, if necessary or desirable, and

(vi) paying financing costs related to the issuance of the Authority’s debt obligations, including underwriters’ discount, structuring fees, any insurance premiums, credit enhancement or liquidity fees related to obtaining any municipal bond insurance policy, other credit enhancement or liquidity facilities determined to be necessary or desirable, swap terminations and other costs incurred by the Authority in connection therewith.
Such portion of the proceeds of any Series of Bonds as may be specified in the applicable Certificate of Determination shall be applied for the purposes specified in subsection (a). All such proceeds shall be deposited and applied in accordance with the applicable Certificate of Determination.

203. **Details of the Bonds.** The following provisions set forth the details of the Bonds.

(a) **Dates, Maturities and Interest.** The Bonds of each Series shall be dated, shall mature and shall bear interest from the date as may be specified by the Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer or the Treasurer of the Authority in the applicable Certificate of Determination pursuant to Section 204 hereof. Interest on the Bonds shall be payable semiannually (or at such other frequency as may be specified in the applicable Certificate of Determination) on the interest payment dates and at the respective rates per annum specified in the applicable Certificate of Determination. The Bonds shall be Tax-Exempt Obligations or Taxable Obligations, as specified in the Certificate of Determination. Interest on the Bonds shall be calculated as provided in the applicable Certificate of Determination.

The interest rates for the Bonds of a Series contained in the records of the Trustee shall be conclusive and binding, absent manifest error, upon the Authority, the Remarketing Agent, the Tender Agent, the Trustee, the Liquidity Facility Issuer, the Credit Facility Issuer, and the Owners.

The interest rate applicable during any Mode (other than a Fixed Rate determined on or prior to the date of issuance of the related Bonds) shall be determined in accordance with the applicable Certificate of Determination. Except as otherwise provided in the applicable Certificate of Determination, any such rate shall be the minimum rate that, in the sole judgment of the Remarketing Agent, would result in a sale of the Bonds of the Series at a price equal to the principal amount thereof on the date on which the interest rate on such Bonds is required to be determined in accordance with the applicable Certificate of Determination, taking into consideration the duration of the Interest Period, which shall be established by the Authority.

(b) **Denominations.** Except as otherwise provided in the applicable Certificate of Determination, the Bonds shall be issued in the form of fully registered Bonds in the denomination of $5,000 or any integral multiple of $5,000.

(c) **Designations.** Unless the Authority shall otherwise direct, the Bonds shall be issued in series, and shall be labeled as follows: The Bonds shall be lettered “2022 A”, “2022 B”, “2022 C” and “2022 D” depending on their respective series, and numbered consecutively from one upward as more particularly set forth in the applicable Certificate of Determination. Alternatively, any Bonds issued after calendar year 2022 pursuant to this Supplemental Resolution may labeled to reflect the calendar year in which they are issued.
(d) Payment of Principal and Interest. Principal and Redemption Price of each Bond shall be payable at the Principal Office of the Trustee upon presentation and surrender of such Bond.

The Trustee shall indicate on the Bonds the date of their authentication as provided in Section 205 hereof. Interest on the Bonds shall be payable from the interest payment date next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is an interest payment date, in which case from such date if interest has been paid to such date; provided, however, that interest shall be payable on the Bonds from such date as may be specified by the Chairman, President and Chief Executive Officer, the Executive Vice President and Chief Financial Officer or the Treasurer of the Authority pursuant to Section 204 hereof, if the date of authentication is prior to the first interest payment date therefor. Interest on the Bonds shall be payable on the interest payment dates specified in the applicable Certificate of Determination to the registered owner as of the close of business on the Record Date specified in the applicable Certificate of Determination, such interest to be paid by the Trustee by check mailed to the registered owner at his or her address as it appears on the books of registry; provided, however, that upon redemption of any Bond, the accrued interest payable upon redemption shall be payable at the Principal Office of the Trustee upon presentation and surrender of such Bond, unless the redemption date is an interest payment date, in which event the interest on such Bond so redeemed shall be paid by the Trustee by check mailed to the registered owner at his address as it appears on the books of registry.

The principal or Redemption Price of and interest on the Bonds shall also be payable at any other place which may be provided for such payment by the appointment of any other Paying Agent or Paying Agents as permitted by the Transmission Project Resolution.

The foregoing provisions of this subsection (d) shall be subject to the provisions of subsection (f) of this Section.

The principal of and premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

(e) Trustee, Registrar, and Paying Agent. The Bank of New York Mellon is the Trustee for the Obligations pursuant to Section 712 of the Transmission Project Resolution. The Trustee is also hereby appointed as the Registrar and Paying Agent for the Bonds.

(f) Securities Depository. The Bonds when initially issued shall be registered in the name of Cede & Co., as nominee of DTC, in the form of a single fully registered Bond for each maturity of the Bonds with a different interest rate applicable thereto. DTC is hereby appointed initial Securities Depository for the Bonds, subject to the provisions of subsection (g) of this Section. So long as DTC or its nominee, as Securities Depository, is the registered owner of Bonds, individual purchases of beneficial ownership interests in Bonds may be made only in book-entry form by or through DTC participants, and
purchasers of such beneficial ownership interests in Bonds will not receive physical delivery of bond certificates representing the beneficial ownership interests purchased.

So long as DTC or its nominee, as Securities Depository, is the registered owner of Bonds, payments of principal of and premium, if any, and interest on such Bonds will be made by wire transfer to DTC or its nominee, or otherwise as may be agreed upon by the Authority, the Trustee and DTC. Transfers of principal, premium, if any, and interest payments to DTC participants will be the responsibility of DTC. Transfers of such payments to Beneficial Owners of Bonds by DTC participants will be the responsibility of such participants and other nominees of such Beneficial Owners.

So long as DTC or its nominee, as Securities Depository, is the registered owner of Bonds, the Authority shall send, or cause the Trustee to send, or take timely action to permit the Trustee to send, to DTC notice of redemption of such Bonds and any other notice required to be given to registered owners of such Bonds pursuant to the Resolution, in the manner and at the times prescribed by the Resolution, except as may be agreed upon by the Authority, the Trustee (if applicable) and DTC.

Neither the Authority nor any Fiduciary shall have any responsibility or obligation to the DTC participants, Beneficial Owners or other nominees of such Beneficial Owners for (1) sending transaction statements; (2) maintaining, supervising or reviewing the accuracy of, any records maintained by DTC or any DTC participant or other nominees of such Beneficial Owners; (3) payment or the timeliness of payment by DTC to any DTC participant, or by any DTC participant or other nominees of Beneficial Owners to any Beneficial Owner, of any amount due in respect of the principal of or redemption premium, if any, or interest on Bonds; (4) delivery or timely delivery by DTC to any DTC participant, or by any DTC participant or other nominees of Beneficial Owners to any Beneficial Owners, of any notice (including notice of redemption) or other communication which is required or permitted under the terms of the Resolution to be given to holders or owners of Bonds; (5) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of Bonds; or (6) any action taken by DTC or its nominee as the registered owner of the Bonds.

Notwithstanding any other provisions of this First Supplemental Resolution to the contrary, the Authority, the Registrar, Paying Agent, and the Trustee shall be entitled to treat and consider the person in whose name each Bond is registered in the books of registry as the absolute owner of such Bond for the purpose of payment of principal, Redemption Price, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal and Redemption Price of and interest on the Bonds only to or upon the order of the respective owners, as shown in the books of registry as provided in this First Supplemental Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority’s obligations with respect to payment of principal and Redemption Price of and interest on such Bonds to the extent of the sum or sums so paid.
Notwithstanding any other provisions of this First Supplemental Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal and Redemption Price of, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, pursuant to DTC’s rules and procedures.

Payments by the DTC participants to Beneficial Owners will be governed by standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such DTC participant and not of DTC, the Trustee or the Authority, subject to any statutory and regulatory requirements as may be in effect from time to time.

Provisions similar to those contained in this subsection (f) may be made by the Authority in connection with the appointment by the Authority of a substitute Securities Depository, or in the event of a successor to any Securities Depository.

Authorized Officers are hereby authorized to enter into such representations and agreements as they deem necessary and appropriate in furtherance of the provisions of this subsection (f).

(g) Replacement Bonds. The Authority shall issue Bond certificates (the “Replacement Bonds”) directly to the Beneficial Owners of the Bonds, or their nominees, in the event that DTC determines to discontinue providing its services with respect to the Bonds, at any time by giving notice to the Authority, and the Authority fails to appoint another qualified Securities Depository to replace DTC. In addition, the Authority also shall issue Replacement Bonds directly to the Beneficial Owners of the Bonds, or their nominees, in the event the Authority discontinues use of DTC as Securities Depository at any time upon determination by the Authority, in its sole discretion and without the consent of any other person, that Beneficial Owners of the Bonds shall be able to obtain certificated Bonds.

(h) Notices. In connection with any notice of redemption provided in accordance with Section 405 of the Transmission Project Resolution, notice of such redemption shall also be sent by the Trustee by first class mail, overnight delivery service or other secure overnight means, postage prepaid, to the appropriate Credit Facility Issuer, to any Rating Agency and to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system, in each case not later than the mailing of notice required by the Resolution.

204. Delegation of Authority. (a) There is hereby delegated to the Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer and the Treasurer of the Authority, and each of them hereby is authorized, subject to the limitations contained herein, with respect to the Bonds of each Series to determine and effectuate the following:
(i) the principal amount of the Bonds to be issued, provided that the aggregate principal amount of the Bonds to be issued shall not exceed $800,000,000;

(ii) the date or dates, Maturity Date or dates and principal amount of each maturity of the Bonds, the interest payment date or dates of the Bonds, and the date or dates from which the Bonds shall bear interest;

(iii) the interest rate or rates of the Bonds, which may include Commercial Paper Rates, Daily Rates, Term Rates, Fixed Rates, Weekly Rates, index-based rates, or other interest rate methodologies, provided, however, that (i) to the extent that fixed rate Bonds are issued, such Bonds, at the date of their issuance, shall have a true interest cost not to exceed five percent (5.00%), and (ii) to the extent that any variable rate Bonds are issued, the initial rate or rates applicable to such Bonds at the date of their issuance shall not exceed four percent (4.00%);

(iv) the sinking fund installments for any term Bond and the methodology to be applied to reduce such installments upon redemption by the Authority, if any, of any such term Bond;

(v) the portions of the proceeds of the Bonds of each Series and the amounts to be deposited and applied in accordance with Section 202 hereof;

(vi) the redemption provisions of the Bonds;

(vii) the tender provisions, if any, of the Bonds;

(viii) whether each Series of such Bonds shall be Tax-Exempt Obligations or Taxable Obligations;

(ix) whether each Series of such Bonds shall be sold by public sale or by placement of such Bonds with one or more investors or financial institutions;

(x) the definitive form or forms of the Bonds and the definitive form or forms of the Trustee’s certificate of authentication thereon;

(xi) additional or different designations, if any, for particular maturities of Bonds or portions thereof intended to distinguish such maturities or portions thereof from other Bonds;

(xii) provisions that are deemed necessary or advisable by the Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer or the Treasurer of the Authority in connection with the implementation and delivery to the Trustee of any Credit Facility or Liquidity Facility;

(xiii) obtaining municipal bond insurance or other Credit Facility or Liquidity Facility related to the Bonds of a Series or any portion thereof, and complying with any
commitment therefor including executing and delivering any related agreement with any Credit Facility Issuer or Liquidity Facility Issuer, to the extent that the Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer or the Treasurer of the Authority determines that to do so would be in the best interest of the Authority;

(xiv) whether to deposit funds into an Operating Reserve Account, and the amount of such funds, if any;

(xv) whether to deposit funds into the Debt Service Fund and the Operating Fund, and the amount of such funds, if any;

(xvi) whether to establish a Debt Service Reserve Fund for the purpose of paying or securing all or any portion of the Series 2022 Bonds, and the amount of such fund, if any, and the application and investment of moneys therein, in accordance with paragraph 1 of Section 508 of the Transmission Project Resolution;

(xvii) how any funds released from the lien of the General Resolution pursuant to a resolution of the Board of Trustees of the Authority in connection with the Central East Energy Connect Transmission Project or the Smart Path Transmission Project shall be applied; and

(xviii) any other provisions deemed advisable by the Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer or the Treasurer of the Authority, not in conflict with the provisions hereof or of the Transmission Project Resolution.

(b) As and to the extent that the Chairman, President and Chief Executive Officer, Executive Vice President or Chief Financial Officer determines that it would be advantageous or desirable to issue bond anticipation notes ("Notes") relating to any of the Series 2022 Bonds instead of issuing Series 2022 Bonds as longer term Bonds, such Designated Officer is hereby authorized to arrange for the sale and delivery of Notes in the same manner and on the same terms as Series 2022 Bonds may be sold and delivered hereunder and under this First Supplemental Resolution. In the event that Notes are issued, the details thereof shall be set forth in a Certificate of Determination relating thereto, executed by such officer and delivered to the trustee under the Transmission Project Resolution. Any Note issued pursuant hereto shall mature no later than five years from the date of issue thereof and may be renewed or refunded from time to time with the proceeds of additional Notes and may be refunded with the issuance of Series 2022 Bonds and the principal amount of any Notes so renewed or refunded shall be ignored in determining the principal amount of Series 2022 Bonds for purposes of this First Supplemental Resolution.

(c) The Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer or Treasurer of the Authority shall execute one or more certificates evidencing determinations or other actions taken pursuant to the authority
granted herein, an executed copy of which shall be delivered to the Trustee. Each such certificate shall be deemed a Certificate of Determination and shall be conclusive evidence of the action or determination of such officer as to the matters stated therein. The provisions of each Certificate of Determination shall be deemed to be incorporated in Article II hereof. No such Certificate of Determination shall, nor shall any amendment to this First Supplemental Resolution, change or modify any of the rights or obligations of the Credit Facility Issuer without its written assent thereto.

205. **Form of Bonds and Trustee’s Authentication Certificate.** Subject to the provisions of the Transmission Project Resolution and to any amendment or modifications thereto or insertions therein as may be approved by the Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer or the Treasurer of the Authority pursuant to Section 204 hereof, the form of the Bonds, form of assignment, and the Trustee’s Certificate of Authentication shall be in substantially the form set forth in Appendix A hereto, with necessary or appropriate variations, omissions and insertions as are incidental to their series, numbers, denominations, maturities, interest rate or rates, registration provisions, redemption provisions, status of interest to owners thereof for Federal income tax purposes, and other details thereof and of their form or as are otherwise permitted or required by law or by the Resolution, including this First Supplemental Resolution. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of such Bond. Bonds may be typewritten, printed, engraved, lithographed or otherwise reproduced.

206. **Execution and Authentication of Bonds.** Notwithstanding the first sentence of paragraph 1 of Section 303 of the Transmission Project Resolution, the Bonds shall be executed in the name of the Authority by the manual or facsimile signature of its Chairman, Vice Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer or Treasurer, and its corporate seal (or a facsimile thereof) shall be affixed, imprinted, engraved or otherwise reproduced, and attested by the manual or facsimile signature of its Vice President and Corporate Secretary, a Deputy Corporate Secretary, or an Assistant Corporate Secretary, or in such other manner as may be required by law.
ARTICLE III

REDEMPTION AND TENDER OF BONDS

301. **Optional and Sinking Fund Redemption.** Bonds of a Series shall be subject to optional and mandatory redemption as and to the extent and at the times and subject to such conditions, if any, as shall be specified in the applicable Certificate of Determination.

302. **Optional and Mandatory Purchase of Bonds.** The Bonds of a Series shall be subject to optional and mandatory tender for purchase to the extent, at the times and subject to such conditions as shall be set forth in the applicable Certificate of Determination.

303. **Purchase Fund.** A Purchase Fund may be established in a Certificate of Determination in connection with the delivery to the Trustee of a Liquidity Facility, which fund, if established, shall be held by the Tender Agent and may have such separate accounts as shall be established in such Certificate of Determination. Such Purchase Fund and accounts therein may be established for the purpose of depositing moneys obtained from (i) the remarketing of Bonds of a Series which is subject to tender for purchase in accordance with the applicable Certificate of Determination, (ii) draws under a Liquidity Facility and (iii) the Authority. Such deposited moneys shall be used solely to pay the Purchase Price of Bonds of such Series or to reimburse a Liquidity Facility Issuer.

304. **Remarketing of Bonds of a Series; Notices.** The Remarketing Agent for Bonds of a Series shall offer for sale and use its best efforts to find purchasers for all Bonds of such Series required to be tendered for purchase. The applicable Certificate of Determination shall prescribe provisions relating to the notices which shall be furnished by the Remarketing Agent in connection with such remarketing and as to the application of the proceeds of such remarketing.

305. **Source of Funds for Purchase of Bonds of a Series.** (a) Except as may otherwise be provided in the applicable Certificate of Determination, the Purchase Price of the Bonds of a Series on any Purchase Date shall be payable solely from proceeds of remarketing of such Series or proceeds of a related Liquidity Facility (including moneys that are borrowed by the Authority pursuant to a Liquidity Facility), if any, and shall not be payable by the Authority from any other source.

(b) As may be more particularly set forth in the applicable Certificate of Determination, on or before the close of business on the Purchase Date or the Mandatory Purchase Date with respect to Bonds of a Series, the Tender Agent shall purchase such Bonds from the Owners at the Purchase Price. Except as otherwise provided in a Certificate of Determination, funds for the payment of such Purchase Price shall be derived in the order of priority indicated:

(i) immediately available funds transferred by the Remarketing Agent to the Tender Agent derived from the remarketing of the Bonds; and
(ii) immediately available funds transferred by the Liquidity Facility Issuer (or the Authority to the Tender Agent, if the Liquidity Facility permits the Authority to make draws thereon), including, without limitation, amounts available under the Liquidity Facility.

306. **Delivery of Bonds.** Except as otherwise required or permitted by the book-entry only system of the Securities Depository and in the applicable Certificate of Determination, the Bonds of a Series sold by the Remarketing Agent shall be delivered by the Remarketing Agent to the purchasers of those Bonds at the times and dates prescribed by the applicable Certificate of Determination. The Bonds of a Series purchased with moneys provided by the Authority shall be delivered at the direction of the Authority. The Bonds of a Series purchased with moneys drawn under a Liquidity Facility shall be delivered as provided in such Liquidity Facility.

307. **Delivery and Payment for Purchased Bonds of a Series; Undelivered Bonds.** Each Certificate of Determination shall provide for the payment of the Purchase Price of purchased bonds of the related Series and shall also make provision for undelivered Bonds.

308. **Credit Facility and Liquidity Facility.** (a) At any time and subject to such limitations and other provisions as may be set forth in the applicable Certificate of Determination, the Authority may obtain or provide for the delivery to the Trustee of a Liquidity Facility and/or a Credit Facility from a Liquidity Facility Issuer and/or Credit Facility Issuer as may be selected by the Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer or the Treasurer of the Authority and specified in the applicable Certificate of Determination with respect to the Bonds of any Series.

(b) Each Liquidity Facility shall provide for draws thereon or borrowings thereunder, in the aggregate, in an amount at least equal to the amount required to pay the Purchase Price for the related Bonds of a Series. Except as may otherwise be provided in the applicable Certificate of Determination, the obligation of the Issuer to reimburse the Liquidity Facility Issuer or to pay the fees, charges and expenses of the Liquidity Facility Issuer under the Liquidity Facility shall constitute a Parity Reimbursement Obligation within the meaning of the Resolution and shall be secured by the pledge of and lien on the Trust Estate created by Section 501 of the Transmission Project Resolution.
ARTICLE IV

ADDITIONAL AUTHORIZATIONS; MISCELLANEOUS

401. Tax Covenant. (a) The Authority shall not take or omit to take any action which would cause interest on any Series 2022 Bonds which are designated Tax-Exempt Obligations in an applicable Certificate of Determination to be included in the gross income of any Owner thereof for Federal income tax purposes by reason of subsection (b) of Section 103 of the Internal Revenue Code of 1986 (Title 26 of the United States Code) as in effect on the date of original issuance of such Obligations. Without limiting the generality of the foregoing, no part of the proceeds of any Tax-Exempt Obligations or any other funds of the Authority shall be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Series of Bonds to be an “arbitrage bond” as defined in section 148 of the Internal Revenue Code of 1986 (Title 26 of the United States Code) as then in effect and to be subject to treatment under subsection (b)(2) of Section 103 of the Code as an obligation not described in subsection (a) of said section. The Authority shall pay to the United States any amounts that are necessary for the purpose of compliance with the provisions of Section 148 of the Code.

(b) Notwithstanding any other provision of the Resolution to the contrary, upon the Authority’s failure to observe, or refusal to comply with, the above covenant in paragraph (a), the Owners, or the Trustee acting on their behalf, shall be entitled only to the right of specific performance of such covenant, and shall not be entitled to any of the other rights and remedies provided under Article X of the Transmission Project Resolution.

402. Remarketing Agent. The Authority shall appoint and employ the services of a Remarketing Agent prior to any Purchase Date or Mode Change Date while the Bonds of any Series are in the Daily Rate Mode, Weekly Rate Mode, the Term Rate Mode, or the Commercial Paper Mode. The Authority shall have the right to remove the Remarketing Agent as provided in the Remarketing Agreement.

403. Tender Agent. The Authority shall be authorized to and shall appoint and employ the services of the Trustee as Tender Agent pursuant to a Tender Agency Agreement prior to any Purchase Date or Mode Change Date while the Bonds of any Series are in the Daily Rate, Weekly Rate, the Term Rate Mode, or the Commercial Paper Mode. The Authority shall have the right to remove the Tender Agent as provided in the Tender Agency Agreement.

404. Remarketing Agreements and Tender Agency Agreements. The Authority hereby authorizes one or more Remarketing Agreements and Tender Agency Agreements with respect to the Bonds of any Series with such modifications and with such Remarketing Agents and such Tender Agents as any Authorized Officer, upon the advice of counsel to the Authority, approves. Any Authorized Officer of the Authority is hereby authorized to execute and deliver such Remarketing Agreements and such Tender Agency Agreements in connection with the original issuance of the Bonds of any Series or remarketing thereof, which execution and delivery shall be conclusive evidence of the approval of any such modifications.
405. **Certain Findings and Determinations.** The Trustees hereby find and determine:

(a) The Transmission Project Resolution has not been amended, supplemented, or repealed since the adoption thereof. This First Supplemental Resolution supplements the Transmission Project Resolution as heretofore amended and supplemented, constitutes and is a “Supplemental Resolution” within the meaning of such quoted term as defined and used in the Transmission Project Resolution, and is adopted under and pursuant to the Transmission Project Resolution.

(b) The Bonds constitute and are “Obligations” within the meaning of the quoted word as defined and used in the Resolution.

(c) Any municipal bond insurance policy issued by such municipal bond insurance issuer as may be selected by the Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer or Treasurer of the Authority and specified in the applicable Certificate of Determination, dated the Closing Date, shall constitute and shall be required to be a “Credit Facility” within the meaning of the quoted words as defined and used in the Resolution. Furthermore, any such municipal bond insurance policy, including any charges, fees, costs and expenses that the Credit Facility Issuer may for any Series of Bonds reasonably incur in the administration of the Credit Facility, respectively, or in the pursuit of any remedies under the Resolution or otherwise afforded by law or equity, shall constitute and shall be required to be a “Subordinated Contract Obligation” within the meaning of the quoted words as defined and used in the Resolution, provided, however, the Credit Facility Issuer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Credit Facility.

(d) The Trust Estate is not encumbered by any lien or charge thereon or pledge thereof, other than the parity lien and charge thereon and pledge thereof securing the Outstanding Obligations and Parity Debt, and the subordinate liens and charges thereon and subordinated pledge thereof created by the existing Subordinated Indebtedness and Subordinated Contract Obligations.

(e) There does not exist an “Event of Default” within the meaning of such quoted term as defined in Section 1001 of the Transmission Project Resolution, nor does there exist any condition which, after the giving of notice or the passage of time, or both, would constitute such an “Event of Default.”

(f) The operation of the Series Central East Energy Connect Transmission Project is not essential to the maintenance and continued operation of the rest of the Authority's Projects (as defined in the General Resolution).
(g) The Central East Energy Connect Transmission Project constitutes, and is hereby designated as, and shall be, a Separately Financed Project, as defined in the General Resolution and a Transmission Project as defined in the Transmission Project Resolution:

(i) Any General Resolution funds spent by the Authority on the Central East Energy Connect Transmission Project (including, but not limited to, any preparatory legal, administrative, engineering, consulting and technical services, Capital Costs or Operating Expenses) shall be fully reimbursed by the proceeds of the Series 2022 Bonds;

(ii) Following such reimbursement, any costs related to construction, maintenance or operation of the Central East Energy Connect Transmission Project shall be paid from proceeds of Obligations issued under this Resolution, from Revenues (as defined in the Transmission Project Resolution), or from other funds of the Authority withdrawn from the lien of the General Resolution by the Authority pursuant to paragraph (e) of subsection 1 of Section 503 of the General Resolution.

(h) The designation of the Central East Energy Connect Transmission Project as a Separately Financed Project will no adversely affect the ability of the Authority to comply with the requirements of the General Resolution, including, without limitation the rate covenant contained therein.

(i) Revenues derived from the operation of the Central East Energy Connect Transmission Project are revenues derived from the operation of a separately financed project and are not part of Revenues as defined in the General Resolution.

(j) Expenses associated with the operation of the Central East Energy Connect Transmission Project and debt service on Obligations issued hereunder shall not be payable from Revenues as defined under the General Resolution, unless such funds are released from the lien of the General Resolution pursuant to the terms thereof.

406. Notice to Owners upon Event of Default. (a) If an Event of Default occurs of which the Trustee has or is deemed to have notice under Section 702(c)(6) of the Transmission Project Resolution, the Trustee shall give by telecopier or other electronic means or by telephone (promptly confirmed in writing) notice thereof to the Authority. Within two Business Days thereafter (unless such Event of Default has been cured or waived), the Trustee shall give notice of such Event of Default to each Owner, provided, however, that except in the instance of an Event of Default under Section 1001(i) or (ii) of the Transmission Project Resolution, the Trustee may withhold such notice to Owners if and so long as the Trustee in good faith determines that the withholding of such notice is in the interests of Owners, and provided, further, that notice to Owners of any Event of Default under Section 1001(ii) or (iii) of the Transmission Project Resolution shall not be given until the grace period has expired.

(b) For so long as the Bonds are registered solely in the name of the Securities Depository or its nominee, where the Transmission Project Resolution provides for notice
to the Owners of the Bonds of the existence of, or during the continuance of, any Event of Default, the Trustee shall: (i) establish a record date (the “Record Date”) for determining the identity of the Persons entitled to receive such notice; (ii) request a securities position listing from the Securities Depository showing the Depository Participants holding positions in the Bonds affected by such notice as of the Record Date for such notice; (iii) send by first-class, postage prepaid mail, copies of the notice as provided above to each Depository Participant identified in the securities position listing as holding a position in the Bonds as of the Record Date for the notice, to the Municipal Securities Rulemaking Board, and to any Person identified to the Trustee as a non-objecting Beneficial Owner (a non-objecting Beneficial Owner is a Person for whom a Depository Participant acts as nominee, and who has not objected to the disclosure of his or her name and security position) pursuant to the immediately following clause; (iv) request that the Depository Participant retransmit the notice to all Persons for which it served as nominee on the Record Date, including non-objecting Beneficial Owners, or retransmit the notice to objecting Beneficial Owners and provide a listing of non-objecting Beneficial Owners for whom the Depository Participant served as nominee on the Record Date to the Trustee and (v) provide as many copies of the notice as may be requested by any nominee owner of the Bonds. Any default in performance of the duties required by this paragraph shall not affect the sufficiency of notice to Owners given in accordance with the provisions of the Transmission Project Resolution, nor the validity of any action taken under the Transmission Project Resolution in reliance on such notice to Owners.

407. **Further Authority.** The Chairman, Vice Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer, Treasurer, Executive Vice President and Corporate Secretary, Deputy Corporate Secretary or Assistant Corporate Secretary of the Authority, or any Authorized Officer (as defined in the Transmission Project Resolution) are each hereby authorized to execute and deliver to the Trustee appointed pursuant to the Transmission Project Resolution such documents and certifications, including, without limitation, any Credit Facility or Liquidity Facility, as may be necessary to give effect to this First Supplemental Resolution and the transactions contemplated hereby.

408. **Effective Date.** This First Supplemental Resolution shall be fully effective in accordance with its terms upon the filing with the Trustee of a copy hereof certified by an Authorized Officer.
APPENDIX A

[FORM OF BONDS]

No. 202_[A][B] - ______ $_______________

POWER AUTHORITY OF THE STATE OF NEW YORK

Green Transmission Project Revenue Obligations, Series 202_ [A][B]

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Registered Owner: CEDE & CO.

Principal Amount: _______________________________ Dollars

POWER AUTHORITY OF THE STATE OF NEW YORK (herein called the “Authority”), a body corporate and politic, a political subdivision and a corporate municipal instrumentality of the State of New York, organized and existing under and by virtue of the laws of the State of New York, acknowledges itself indebted to, and for value received hereby promises to pay, but solely from the Trust Estate and not otherwise, to the registered owner specified above or registered assigns, the Principal Amount specified above on the Maturity Date specified above (subject to the right of prior redemption hereinafter mentioned) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay to the registered owner hereof interest on such principal sum in like coin or currency and at the rate of interest per annum specified above. This Bond is dated as of ________, 202_, interest on this Bond shall be payable from the______ or ________ next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a ________ or ________, in which case from such date if interest has been paid to such date; provided, however, that such interest shall be payable on this Bond from ________, 202_, if the date of authentication is prior to the first interest payment date therefor. Interest on this Bond shall be payable on ________, 20_ and semi-annually thereafter on ________ and ________, in each case to the registered owner as of the close of business on the first day (whether or not a Business Day) of the calendar month in which the interest payment date occurs, such interest to be paid by the Trustee by check mailed to the registered owner at his address as it appears on the books of registry; provided, however, that upon redemption of this Bond, the accrued interest payable upon redemption shall be payable at the Principal Office of the Trustee upon presentation and surrender of this Bond, unless the redemption date is an interest payment date, in which event the interest on this Bond so redeemed shall be paid by the Trustee by check mailed to the registered owner at his address as it appears on the books of registry.
[Description of interest rate determination methodology for any Bonds issued as variable rate Bonds, as specified in the applicable Certificate of Determination, to be inserted here.]

This Bond is one of a duly authorized issue of obligations of the Authority designated as its “Obligations” issued and to be issued in various series under and pursuant to the Power Authority Act, Title 1 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended (herein called the “Act”), and under and pursuant to a resolution of the Authority adopted on December 7, 2021, entitled “Transmission Project Resolution Authorizing Transmission Project Revenue Obligations”, and a supplemental resolution of the Authority adopted on December 7, 2021, and entitled “First Supplemental Resolution Transmission Project Revenue Obligations” (herein called the “First Supplemental Resolution”). Said resolutions are herein collectively called the “Resolution”. Capitalized terms used herein and not otherwise defined herein shall have the meanings provided in the Resolution.

This Bond is one of a series of Obligations of various maturities designated as “Green Transmission Project Revenue Obligations, Series 202__[A][B]” (herein called the “Bonds”) issued in the aggregate principal amount of $__________ under the Resolution. Copies of the Resolution are on file at the office of the Authority and at the Principal Office of The Bank of New York Mellon, as Trustee under the Resolution, or its successor as Trustee (herein called the “Trustee”), in the Borough of Manhattan, City and State of New York. The Trustee is also the Registrar and Paying Agent for the Bonds.

The Obligations are special obligations of the Authority, payable as to principal, Redemption Price, and interest solely from and are equally and ratably secured solely by the Trust Estate, subject to the provisions of the Resolution permitting the application of such Trust Estate to the purposes and on the terms and conditions set forth in the Resolution, including, without limitation, the prior application of Revenues to the payment of Operating Expenses. The principal and Redemption Price of, and interest on, the Obligations shall not be payable from the general funds of the Authority nor shall the Obligations constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of the property or upon any of the income, receipts, or revenues of the Authority, except the Trust Estate.

Reference is hereby made to the Resolution, copies of which are on file in the Principal Office of the Trustee, and to all of the provisions of which any holder of this Bond by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the pledge and covenants securing the Obligations, including this Bond; the Revenues and other moneys and securities constituting the Trust Estate pledged to the payment of the principal of and interest on the Obligations issued thereunder; the nature and extent and manner of enforcement of the pledge; the conditions upon which Obligations may hereafter be issued thereunder, payable on a parity from the Trust Estate and equally and ratably secured therewith; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Owners of the Obligations; the rights and remedies of the Owner hereof with respect hereto and thereto, including the limitations therein contained upon the right of an Owner hereof to institute any suit, action or proceeding in equity or at law with respect hereto and thereto; the rights, duties and obligations of the Authority and the Trustee thereunder; the terms and provisions
upon which the pledges and covenants made therein may be discharged at or prior to the maturity or redemption of this Bond, and the Bond thereafter no longer be secured by the Resolution or be deemed to be Outstanding thereunder, if moneys or certain specified securities shall have been deposited with the Trustee sufficient and held in trust solely for the payment hereof; and for the other terms and provisions thereof.

As provided in the Resolution, Obligations may be issued from time to time pursuant to supplemental resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Resolution provided. The aggregate principal amount of Obligations which may be issued under the Resolution is not limited except as provided in the Resolution, and all Obligations issued and to be issued under the Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution.

To the extent and in the manner permitted by the terms of the Resolution, the provisions of the Resolution or any resolution amendatory thereof or supplemental thereto may be modified or amended by the Authority, with the written consent of the Owners of a majority in principal amount of the Obligations then Outstanding, and, in case less than all of the Obligations will be affected thereby, with such consent of the Owners of at least a majority in principal amount of the Obligations so affected then Outstanding, at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as particular Obligations remain Outstanding, the consent of the Owners of such Obligations shall not be required and such Obligations shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Obligations under the Resolution.

This Bond is transferable, as provided in the Resolution, only upon the books of the Authority kept for that purpose at the above-mentioned office of the Registrar by the Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of the Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Owner or his duly authorized attorney, and thereupon a new registered Bond or Bonds, and in the same aggregate principal amount, Series, maturity and interest rate shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The Authority and each Fiduciary may deem and treat the Person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and interest due hereon and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority nor any Fiduciary shall be affected by any notice to the contrary.

[Description of the applicable redemption provisions, as specified in the applicable Certificate of Determination, to be inserted here.]

When the Trustee shall receive notice from the Authority of its election to redeem Obligations pursuant to the Resolution, and when redemption of Obligations is required by the
Resolution, the Trustee shall give notice, in the name of the Authority, of the redemption of such Obligations, which notice shall specify the Series, maturities and, if any maturity shall include Obligations bearing different interest rates and all Obligations of such maturity are not being redeemed, interest rate of the Obligations to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Obligations of any like Series, maturity and interest rate are to be redeemed, the letters and numbers or other distinguishing marks of such Obligations so to be redeemed, and, in the case of Obligations to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed, and, if applicable, that such notice is conditional and the conditions that must be satisfied. Such notice shall further state that on such date there shall become due and payable upon each Obligation to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Obligations to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be given by first class mail, postage prepaid, not less than 30 days nor more than 45 days before the redemption date, to the Owners of any Obligations or portions of Obligations which are to be redeemed, at their last addresses, if any, appearing upon the registry books. Failure so to mail any such notice to any particular Owner shall not affect the validity of the proceedings for the redemption of Obligations not owned by such Owner and failure of any Owner to receive such notice shall not affect the validity of the proposed redemption of Obligations.

Any notice of optional redemption may state that it is conditional upon receipt by the Trustee of moneys sufficient to pay the Redemption Price of such Obligations or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such Redemption Price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Trustee to affected Owners of Obligations as promptly as practicable upon the failure of such condition or the occurrence of such other event.

The principal of the Bonds may be declared due and payable before the maturity thereof, and such declaration may be annulled, as provided in the Resolution.

The Act provides that neither the members of the Authority nor any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Pursuant to Section 1011 of the Act, the Authority, as agent for the State of New York, does hereby pledge to and agree with the holder of this Bond that the State of New York will not limit or alter the rights vested in the Authority by the Act, as amended, until this Bond and each of the other Bonds, together with the interest hereon and thereon, have been fully met and discharged or adequate provisions have been made by law for protection of the holders of all such Bonds.

The Bonds shall not be a debt of the State of New York, and the State shall not be liable thereon.
It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed and that the issuance of the Bonds, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by the laws of the State of New York.

This Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee’s Certificate hereon.

IN WITNESS WHEREOF, POWER AUTHORITY OF THE STATE OF NEW YORK has caused this Bond to be signed in its name and on its behalf by the facsimile signature of its [INSERT TITLE], and its corporate seal (or facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced and attested by the facsimile signature of its Vice President and Corporate Secretary, a Deputy Corporate Secretary, or an Assistant Secretary.

POWER AUTHORITY OF THE STATE OF NEW YORK

By: ________________________________
[President and Chief Executive Officer]

[SEAL]

Attest:

________________________
Secretary
AUTHENTICATION DATE:

Trustee’s Certificate

The Bond is one of the bonds, of the Series designated therein, described in the within-mentioned Resolution.

THE BANK OF NEW YORK MELLON
Trustee

By: _______________________
Authorized Officer
FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

______________________________________________________________________________
(Please insert Social Security or Taxpayer Identification Number of Transferee)
______________________________________________________________________________
/______________________________/
(Please print or typewrite name and address, including zip code of Transferee)

______________________________________________________________________________
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

______________________________________________________________________________
atorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ______________

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member or participant of a signature guarantee program.

NOTICE: The signature above must correspond with the name of the Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or change whatsoever.
STATEMENT OF INSURANCE [if any]

New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest, including principal and interest due by operation of scheduled mandatory sinking fund redemption, on this Bond to The Bank of New York Mellon, New York, New York, or its successor, as paying agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from __________ or the Paying Agent.
POWER AUTHORITY OF THE STATE OF NEW YORK

----------------------------------------

FIRST SUPPLEMENTAL RESOLUTION

authorizing

TRANSMISSION PROJECT REVENUE OBLIGATIONS

----------------------------------------

Adopted on December 7, 2021,
as amended and restated on January __25__, 2022
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APPENDIX A  ................................................................. A-1
FIRST SUPPLEMENTAL RESOLUTION

authorizing

REVENUE OBLIGATIONS

BE IT RESOLVED by the Trustees of the Power Authority of the State of New York (the “Authority”) as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

101. Supplemental Resolution; Authority. This resolution, adopted on December 7, 2021, as amended and restated on January 25, 2022 (“First Supplemental Resolution”), is supplemental to, and is adopted in accordance with Article VIII of a resolution adopted by the Authority on December 7, 2021, entitled “General Resolution Authorizing Transmission Project Revenue Obligations” (“Transmission Project Resolution” and, as heretofore amended and supplemented and collectively with the First Supplemental Resolution, the “Resolution”), and is adopted pursuant to the provisions of the Act.

102. Definitions. (a) All terms which are defined in Section 101 of the Transmission Project Resolution shall have the same meanings for purposes of this First Supplemental Resolution.

(b) In this First Supplemental Resolution:

“Beneficial Owner” means, for any Bond which is held by a nominee, the beneficial owner of such Bond.

“Bonds,” “Bonds of a Series,” or “Bonds of any Series” and words of like import shall mean each or all of a Series of Bonds issued pursuant hereto collectively, as the context may require.

“Central East Energy Connect Transmission Project” means Authority’s rights and interests in the Central East Energy Connect project to be jointly developed with LSPG-NY, which includes replacement of National Grid’s two existing 80-mile 230 kV transmission lines with a new 86-mile double-circuit 345 kV line from the Edic substation in Oneida County, New York, to the New Scotland 345 kV substations, and the addition of a new Princetown 345 kV switchyard in between Edic and New Scotland to connect to the Rotterdam substation, as may be more particularly described in a Certificate of Determination.

“Certificate of Determination” means any certificate of the Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer or Treasurer of
ARTICLE II

AUTHORIZATION OF BONDS

201. **Principal Amount, Designation and Series.** Pursuant to the provisions of the Transmission Project Resolution, one or more Series of Obligations entitled to the benefit, protection and security of such provisions are hereby authorized with the following designations, or such other designations as shall be set forth in the Certificate of Determination: the “Green Transmission Project Revenue Obligations, Series 2022”. The aggregate principal amount of each Series of Bonds shall be set forth in the Certificate of Determination relating to the respective Bonds; provided that the aggregate principal amount of such Bonds outstanding at any time shall not exceed $[750,000,000,000]. Individual maturities of the Bonds or portions thereof may bear such additional designations, if any, as may be set forth in the related Certificate of Determination. To the extent so provided in the applicable Certificate of Determination, any such Obligations may alternatively be designated as “Notes” and any reference herein to a Series of Bonds shall also refer to Obligations designated as Notes. In the event that any Series of Bonds is not issued in calendar year 2022, the applicable Certificate of Determination may (i) redesignate the year and Series of such Bonds and (ii) make any other conforming changes deemed necessary or appropriate to reflect the year of issuance. Each Series shall initially bear interest in accordance with the Mode as may be provided by the applicable Certificate of Determination.

202. **Purposes.** (a) The purposes for which the Bonds of any Series are to be issued shall include such of the following as shall be specified in the applicable Certificate of Determination:

(i) financing and reimbursing of all Capital Costs (including any preparatory legal, administrative, engineering, consulting and technical services) and other costs incurred but not yet recovered by the Authority in connection with the Central East Energy Connect Transmission Project and the Sound Path Transmission Project,

(ii) funding one or more Operating Reserve Accounts, if necessary or desirable,

(iii) funding a deposit to the Operating Fund, if necessary or desirable,

(iv) funding a deposit to the Debt Service Fund, if necessary or desirable,

(v) funding a debt service reserve fund, if necessary or desirable, and

(vi) paying financing costs related to the issuance of the Authority’s debt obligations, including underwriters’ discount, structuring fees, any insurance premiums, credit enhancement or liquidity fees related to obtaining any municipal bond insurance policy, other credit enhancement or liquidity facilities determined to


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</table>
Date: January 12, 2022

To: THE FINANCE AND RISK COMMITTEE

From: THE PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Release of Additional Funds in Support of Separately Financed Projects

SUMMARY

The Trustees will be requested at their January 25, 2022 meeting to authorize the release of up to $65 million in funding to support Separately Financed Projects. The reason for the increase in funding is the addition of another project, Smart Path, to the initial project, Central East Energy Connect, which the Authority determined to finance as a Separately Financed Project at its last meeting. The Smart Path Project is being presented for consideration at today’s meeting. A Separately Financed Project, under the Authority’s General Resolution Authorizing Revenue Obligations, adopted February 24, 1998, as amended and supplemented (the “General Bond Resolution”) is essentially one in which the indebtedness and the Authority’s share of any operating and other expenses related to such Separately Financed Project, are payable solely from the revenues of such Separately Financed Project or from funds released from the lien of the General Bond Resolution in accordance with its terms. If the Committee determines to recommend the proposed Smart Path Project be designated and financed as a Separately Financed Project, it would be appropriate to release funds as described below given that the Smart Path Project is not yet complete and has no revenues to support its current expenses so as to assure that such expenses are paid in a manner consistent with the General Bond Resolution.

The Finance and Risk Committee is requested to recommend to the Trustees the release of this funding.

BACKGROUND

The General Bond Resolution is, and has been since 1998, the Authority’s primary financing vehicle through which it issues its bonds, notes and certain other forms of indebtedness and secures its bondholders, noteholders and certain other creditors (collectively, “General Resolution Creditors”). The Authority’s General Resolution Creditors benefit from a broad pledge of virtually all of the Authority’s resources:

“…all revenues, rates, fees, charges, rents, proceeds from the sale of Authority assets, proceeds of insurance, and other income and receipts, as derived in cash by or for the account of the Authority directly or indirectly from any of the...”
Authority’s operations, including but not limited to the ownership or operation of any Project…”

The breadth of this pledge is a substantial factor in the high degree of creditworthiness attributed to the Authority’s bonds. Most recently, in the Spring of 2020, the Authority issued approximately $1.2 billion of revenue bonds under the General Bond Resolution which were rated AA/Aa1/AA by S&P, Moody’s and Fitch, respectively.

The General Bond Resolution includes two exceptions to the broad pledge described above:

“…but not including any such income or receipts attributable directly or indirectly to the ownership or operation of any Separately Financed Project and not including any federal or state grant moneys the receipt of which is conditioned upon their expenditure for a particular purpose.”

There is a proposal before the Committee to designate and finance (through the issuance of bonds) the Smart Path Project as a Separately Financed Project (along with the Central East Energy Connect Project, which was so designated at the last Trustee’s meeting). The General Bond Resolution defines a Separately Financed Project and establishes the conditions under which such a project may be financed by the Authority:

*Nothing in the Resolution shall prevent the Authority from authorizing and issuing bonds, notes, or other obligations or evidences of indebtedness, other than Obligations [incurred under the Resolution], for any project authorized by the Act or by other then applicable State statutory provisions, or from financing any such project from other available funds (such project being referred to herein as a “Separately Financed Project”), if the debt service on such bonds, notes, or other obligations or evidences of indebtedness, if any, and the Authority’s share of any operating expenses related to such Separately Financed Project, are payable solely from the revenues or other income derived from the ownership or operation of such Separately Financed Project or from other funds withdrawn by the Authority pursuant to [the terms of the Resolution]*

If the Committee is determined to proceed with designating and financing the Smart Path Project as a Separately Financed Project, the revenues of that project and the Central Energy East Connect Project will be pledged exclusively to the indebtedness and operating expenses of those two projects and such revenues will not be pledged to General Resolution Creditors. If the Committee does so proceed, in order to comply strictly with the terms of the General Bond Resolution, it is appropriate to release funds from the lien of the General Bond Resolution to pay the expenses of those projects (including any reserves associated with its bond financing) until those projects have the proceeds of such financing available to them or otherwise generate revenues of their own. To do otherwise would contravene the General Bond Resolution by burdening cashflow available to General Resolution Creditors with the expenses of such projects
without the subsequent benefit of revenues associated with such projects being available to pay amounts owed to General Resolution Creditors.

The General Bond Resolution (Section 503(1)) permits the Authority to withdraw monies free and clear of the lien and pledge created by the General Bond Resolution provided that (a) such withdrawals must be for a ‘lawful corporate purpose as determined by the Authority,’ and (b) the Authority must determine, taking into account among other considerations anticipated future receipt of revenues or other moneys constituting part of the Trust Estate, that the funds to be so withdrawn are not needed for (i) payment of reasonable and necessary operating expenses, (ii) an Operating Fund reserve in amounts determined by the Authority to be adequate for working capital, emergency repairs or replacements, major renewals or for retirement from service, decommissioning or disposal of facilities, (iii) payment of, or accumulation of a reserve for payment of, interest and principal on senior debt or (iv) payment of interest and principal on subordinate debt. In addition, as set forth in the Trustees’ Policy Statement dated May 24, 2011, a debt service coverage ratio of 2.0 is to be used as a reference point in considering any such release of funds.

DISCUSSION

Staff has reviewed the effect of releasing up to an additional $65 million in funding at this time on the Authority’s expected financial position and reserve requirements. In accordance with the Board’s Policy Statement adopted May 24, 2011, staff calculated the impact of this release, together with the last 12 months releases including (i) the release of $30 million in Recharge New York Discounts for 2020, (ii) the release of up to $91.0 million in Canal-related operating expenses for 2020, (iii) the release of up to $2 million in Western NY Power Proceeds net earnings, (iv) the release of $21.3 million in funding for Canal related operating expenses for the first quarter of 2022, (v) the release of $30 million in funding relating to the RNY Residential Discount Program, (vi) the release of up to $35 million in funding to support Separately Financed Projects and (vii) the release of up to $1 million in Northern NY Power proceeds net earnings, on the Authority’s debt service coverage and determined it would not fall below the 2.0 reference level. Based on the Authority’s Four-Year Budget and Financial Plan, the 2.0 reference point level is forecasted to be met at each year-end of the forecast period 2022-2025. Given the current financial condition of the Authority, its estimated future revenues, operating expenses, debt service and reserve requirements, staff is of the view that it will be feasible for the Authority to release such amounts from the trust estate created by the General Bond Resolution consistent with the terms thereof.

FISCAL INFORMATION

Staff has determined that sufficient funds are available in the Operating Fund to release an additional amount of up to $65 million in funding to support Separately Financed Projects, including the Smart Path Project and the Central Energy East Connect Project. Staff has further determined that the amounts presently held in reserves in the Operating Fund are adequate for the purposes specified in Section 503(2) of the Authority’s General Bond Resolution and that such Authority funds are not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority’s General Bond Resolution.

RECOMMENDATION
It is requested that the Finance and Risk Committee recommend that the Trustees authorize the release an additional amount of up to $65 million in funding to support Separately Financed Projects of the Authority. The Chief Financial Officer further recommends that the Trustees affirm that such release is feasible and advisable, that the amounts presently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503(2) of the Authority’s General Bond Resolution, and that the amount of $65 million is not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority’s General Bond Resolution.

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

Justin E. Driscoll
Interim President and Chief Executive Officer
RESOLUTION

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

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

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

RESOLVED, That the Finance and Risk Committee recommends that the Trustees affirm that the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer, the Executive Vice President and General Counsel, the Executive Vice President and Chief Financial Officer, the Corporate Secretary, the Treasurer and all other officers of the Authority be authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents that they, or any of them, may deem necessary or advisable to effectuate the foregoing resolution, subject to approval as to the form thereof by the Executive Vice President and General Counsel.
Without limiting the generality of the foregoing, any amount released from the General Bond Resolution may, at the direction of any such officer, be transferred to any account or fund established pursuant to a bond resolution authorizing the issuance of bonds for any Separately Financed Project.
Date: January 12, 2022

To: THE FINANCE AND RISK COMMITTEE

From: THE PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Smart Path Connect Project – Steel Pole Structures and Anchor Bolt Cages Recommendation for Contract Award

SUMMARY

The Trustees will be requested at their January 25, 2022 meeting to approve the award of a five-year equipment contract for the engineering, design, testing, furnishing, and delivery of transmission line steel pole structures and anchor bolt cages to Sabre Industries Inc. (“Sabre”) of Alvarado, Texas, the lowest-priced, technically qualified bidder, in the amount of $71,518,671 for the Smart Path Connect Project (“Project”). An additional $5,696,266 allowance is requested for A-frames and other steel for substations not included in the original Request for Proposal (“RFP”) scope to be added to the contract pursuant to a future date. In addition, a $14,303,734 allowance is also requested for managing risks of price fluctuations for metal, fuel and labor, inflation adjustments, and engineering optimization to be added to the contract pursuant to a future date. The total authorized amount requested is $91,518,671.

An interim award in the amount of $5,589,568 was approved on December 27, 2021 for Engineering and Drafting to maintain the Project schedule. Final contract award is subject to Trustee approval at the January 25, 2022, meeting.

The Finance and Risk Committee is requested to recommend to the Trustees the approval of the aforementioned contract award.

BACKGROUND

Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts requires Trustee approval for procurement contracts involving services to be rendered for a period in excess of one year. Additionally, in accordance with the Authority’s Expenditure Authorization Procedures, the award of non-personal services contracts exceeding $10 million requires Trustee approval.

The Authority is looking to continue its long history of transmission through the Accelerated Renewable Energy Growth and Community Benefit Act (“Act”). The Act was signed into law by Governor Cuomo on April 3, 2020, which provides for the “timely and cost-effective construction of new, expanded and upgraded distribution and transmission infrastructure as may be needed to access and deliver renewable energy resources” to achieve clean energy and environmental targets established in the Climate Leadership and Community Protection Act (“CLCPA”). The Authority proposed the Smart Path Connect Project – a set of bulk transmission investments – as a project that is “needed expeditiously” within the meaning of the Act and the Public Service Commission designated it as a Priority Project on October 15, 2020. The following are the components of the Project:
- Phase 2 completion of NYPA’s Smart Path
- Rebuild and upgrade of National Grid’s Adirondack Power 1&2 to 345kV
- Rebuild and upgrade of NYPA’s Moses to Willis 230kV transmission lines 1&2 to 345kV
- Rebuild and upgrade of NYPA’s Willis to Ryan and Willis to Patnode 230kV single circuits to 230kV double circuits
- Various substation improvements

The scope of this contract includes a total of 532 steel pole structures and anchor bolt cages required for construction of multiple 230kV and 345kV transmission lines across Northern NY, scheduled to start construction in the third quarter of 2022. The contract scope is inclusive of engineering, design, testing, furnishing, and delivery of transmission line steel pole structures and anchor bolt cages to Sabre Industries Inc. (Sabre) of Alvarado, Texas, the lowest priced, technically qualified bidder, for a term of five years, in the amount of $71,518,671 for the Project. An additional $5,696,266 allowance is requested for A-frames and other steel for substations not included in the original Request for Proposal (“RFP”) scope which will be added to the contract pursuant to a future date. In addition, a $14,303,734 allowance is also requested for managing risks of price fluctuations for metal, fuel and labor, inflation adjustments, and engineering optimization to be added to the contract pursuant to a future date. The total authorized amount requested is $91,518,671.

The total Project estimate remains at $605 million. The Project, to be delivered with co-participant, Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid”) in the original sum of $605 million, was approved by the Trustees at their March 30, 2021, meeting.

The following sums were released against the original $605 million: $6 million (on November 5th, 2020), $4 million (on June 16th, 2021) approved by the Chief Operating Officer. The Finance and Risk Committee and the Trustees approved full funding for the Project with an additional $10 million release at the July 15, 2021, and July 27, 2021 meetings, respectively. Additional funding in the amount of $20 million was approved on December 21, 2021, by the Chief Executive Officer bringing the total authorized additional funding to $40 million. Approval for the remaining funding will be requested in the first quarter of 2022 when abandonment incentives are approved by the Federal Energy Regulatory Commission and will remain aligned with the Project’s commitments and spending plans.

**DISCUSSION**

The Authority issued a Request for Proposal, No. Q21-7236MH, via Ariba e-sourcing which was advertised in the New York State *Contract Reporter* on October 05, 2021. Ten firms requested and/or were invited to participate in the Ariba event.
The Authority requires an experienced supplier with proven capability and capacity to furnish such volume within a construction plan and work sequencing that are constrained by permitting, outage schedules, and other factors. In addition to standard requirements such as the bidder’s safety performance, financial health, capabilities, capacity, and experience, quality management plan, schedule, pricing and other requirements, the bidders were requested to propose value engineering solutions, alternative designs, and other solutions to optimize the cost of the products and ultimately the overall construction cost. Major electrical equipment is excluded from Minority and Woman Business Enterprise (M/WBE) participation goals. Hence, M/WBE goals were not applied to this RFP. New York State Article 15-A allows state agencies and authorities to reasonably exclude from their annual MWBE Goal Plan, good/materials or services that have been determined to offer no MWBE prime or subcontracting opportunities. The scope of work is in accordance with 2020-2021 PRODUCT EXCLUSION and EXEMPT LISTS as approved by the Board of Trustees. NYPA Supplier Diversity has reviewed the scope of work and concurs with exclusion for Major Electrical Equipment.

Following the post bid clarifications and additional information, all technical and quality assurance exceptions were successfully negotiated. The Evaluation Committee also held price negotiations with Sabre, which resulted in a 5% cost reduction to the evaluated price. In addition, a 0.25% linear production efficiency discount was negotiated which may result in additional savings of up to $184,240. Sabre took few exceptions to the commercial terms and conditions which have been negotiated and mutually agreed upon.

Overall, Sabre was technically compliant and the lowest evaluated/negotiated price bidder.

The following table lists the base, evaluated, and negotiated pricing:

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<th>Negotiated Price w/ options*</th>
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<td>$75,912,127</td>
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<td>Sabre Industries, Inc.</td>
<td>$73,696,155</td>
<td>$75,689,255</td>
<td>$71,518,671</td>
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<td>Trinity Meyer Utility Structures, LLC</td>
<td>$91,391,818</td>
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<tr>
<td>Tri-M Electrical Sales LLC**</td>
<td>$646,642</td>
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<tr>
<td>Valmont Industries, Inc.</td>
<td>$91,662,656</td>
<td>$93,212,632</td>
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*Evaluated Price with option pricing includes full-scale load test, shop fit-up tests, and Performance and Payment Bonds

**Non-Compliant Bid

The Authority’s Fair Cost Estimate (“FCE”) was $61,404,33. Sabre’s negotiated price was $71,518,671 which represents a 16.5% increase and is within the acceptable range of the FCE. This is a result of current worldwide volatility in raw materials, labor, and shipping costs.

FISCAL INFORMATION

Funding for the Purchase Order to support the Smart Path Connect Project will be made from the Authority’s Capital Fund. The proposed spending for this contract is in alignment with
the original program estimate for this work which was approved by the Trustees at their July 2021 meeting and has been included in the approved Four-Year Capital Plan. Cost recovery mechanisms are secured in accordance with New York Independent Service Operator tariff requirements, Project expenditures shall be limited to $40 million until additional incentives from the Federal Energy Regulatory Commission are granted.

RECOMMENDATION

The Executive Vice President and Chief Financial Officer, the President of NYPA Development, and the Regional Manager of Transmission request that the Finance and Risk Committee recommends that the Trustees approve the award of a five-year equipment contract to the lowest-priced, technically qualified bidder, Sabre Industries, Inc. of Alvarado, Texas, for engineering, design, testing, furnishing, and delivery of steel pole structures and anchor bolt cages for the Smart Path Connect Project in the amount of $71,518,671. An additional $5,696,266 is requested for A-frames and other steel for substations not included in the original RFP scope and $14,303,734 for managing risks of price fluctuations for metal, fuel and labor, inflation adjustments, and engineering optimization, bringing the total authorized amount requested to $91,518,671.

Interim approval in the amount of $5,589,568.36 was approved for engineering and drafting that was required to start immediately to maintain the expedited Project Schedule. Final contract award is subject to Trustee approval at the January 25, 2022, meeting.

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

Justin Driscoll
Interim President and Chief Executive Officer
RESOLUTION

RESOLVED, That the Finance and Risk Committee recommends that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, the award of a five-year equipment contract to Sabre Industries Inc. of Alvarado, Texas in the amount of $91,518,671 for the Smart Path Connect Project - Steel Pole Structures and Anchor Bolt Cages, as recommended in the foregoing memorandum of the Interim President and Chief Executive Officer;

RESOLVED, That the Authority will use Capital Funds, which may include proceeds of debt issuances, to finance the costs of the Smart Path Connect Project.

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<tr>
<th>Contractor</th>
<th>Contract Approval</th>
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<tr>
<td>Sabre Industries, Inc.</td>
<td>$91,518,671</td>
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<tr>
<td>Alvarado, TX</td>
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<td>RFP # Q21-7236MH</td>
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</table>
Date: January 12, 2022

To: THE FINANCE AND RISK COMMITTEE

From: THE PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Y49 Transmission Line – Nassau Segment Reconductoring Recommendation for Contract Award

SUMMARY

The Trustees will be requested at their January 25, 2022 meeting to approve the award of a two-year design, manufacture, and delivery contract in the amount of $37,877,000, to Elecnor Hawkeye, LLC of Hauppauge, New York (“Hawkeye”) for the reconductoring of the Nassau Segment of the Y49 Transmission Line. The contract is in the amount of $32,877,000 with a total authorization amount of $37,877,000. The requested amount includes $6,696,500 in requested unit price items as well as $5,000,000 of contingency funds.

The Finance and Risk Committee is requested to recommend to the Trustees the approval of the aforementioned contract award.

BACKGROUND

Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts requires Trustee approval for procurement contracts involving services to be rendered for a period in excess of one year. Additionally, in accordance with the Authority’s Expenditure Authorization Procedures, the award of non-personal services contracts exceeding $10 million requires Trustee approval.

The Long Island Sound Cable (“Y49”) underground transmission cable was commissioned in 1991 and traverses Westchester County, the Long Island Sound, and Nassau County, delivering 600MW of power from upstate regions to Long Island communities. The circuit has experienced several electrical cable failures (faults) in the past 10 years that have been disruptive to the service of the greater Long Island electrical grid. Upon completion of studies to assess the Y49 system, the recommendation was made by subject matter experts to replace the segment in Nassau County that will allow for proper remediation of the failure modes discovered through assessment.

DISCUSSION

This proposed contract with Hawkeye would provide for the design, manufacturing, delivery, assembly, and commissioning of the replacement of the High-Pressure Fluid Filled (“HPFF”) cable, installation of additional manholes, fiber optic replacements, and instrumentation improvements to bring operational flexibility to the line as well-as alleviate the risk of faults which has grown as they have occurred more frequently in the past 5 years. Pursuant to Section § 2879 of Public Authority’s Law, the Authority issued Request for Proposal (“RFP”) No. Q21-7226BS via Ariba e-sourcing which was advertised in the New York State Contract Reporter on September 17, 2021. Twenty suppliers were listed as having been invited
to or requested to participate in the Ariba Event. The following four proposals were received electronically via Ariba on October 28, 2021 and were evaluated, as further set forth in the Award Recommendation documents.

<table>
<thead>
<tr>
<th>SUPPLIER</th>
<th>M/WBE OR SDVOB OR NYSSBE</th>
<th>UN-EVALUATED PRICE</th>
<th>REVISED AND BEST AND FINAL OFFER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elecnor Hawkeye, LLC (Hawkeye)</td>
<td>No</td>
<td>$26,260,000</td>
<td>$26,180,500</td>
</tr>
<tr>
<td>Haugland Energy Group LLC (Haugland)</td>
<td>No</td>
<td>$26,957,890</td>
<td>$23,957,984</td>
</tr>
<tr>
<td>Quanta Infrastructure Solutions Group, LLC (QSIG)</td>
<td>No</td>
<td>$53,989,551</td>
<td>$53,949,551</td>
</tr>
<tr>
<td>W.A. Chester, LLC (Chester)</td>
<td>No</td>
<td>$51,837,854</td>
<td>$40,759,201</td>
</tr>
</tbody>
</table>

The Evaluation Committee, comprised of representatives from Strategic Supply Management; Project Delivery; Project Development and Licensing; Quality Assurance; Environmental, Health and Safety; and Program Controls, reviewed and evaluated the proposals based on the evaluation criteria established in the RFP which included: best value, proposal completeness, technical capabilities, ability to meet the schedule, experience in performing this type of work, and safety records. The proposals were also reviewed for compliance with the New York Buy American Act.

Hawkeye was determined to be the “best value” bidder based on its strength of experience, a well thought-out project execution plan, high quality processes, and ability to address the Authority’s requirements and expectations. A majority of Hawkeye’s workforce is supplied from the Long Island and tri-state area reducing the risk to the Project. Hawkeye took few exceptions to the commercial terms and conditions which have been negotiated and mutually agreed upon. This best value proposal also provides the most competitive pricing for the Project. Hawkeye will also comply with all supplier diversity goals.

Staff recommends the award of a contract to Hawkeye which is technically and commercially qualified. The contract is in the amount of $32,877,000 for a term up to two (2) years, with a total authorization amount of $37,877,000. The requested amount includes $6,696,500 in requested unit price items as well as $5,000,000 of contingency funds.

FISCAL INFORMATION

Payment associated with this Project will be made from the Authority’s Capital Fund. The proposed spending for this contract is in alignment with the original program estimate for this work which was approved by the Trustees at their July 2021 meeting and has been included in the approved Four-Year Capital Plan.
RECOMMENDATION

The Executive Vice President and Chief Financial Officer and the Regional Manager - Transmission requests that the Finance and Risk Committee recommends that the Trustees approve the contract to Hawkeye in the amount of $37,877,000 for the reconductoring of the Nassau Segment of the Y49 Transmission Line.

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

Justin E. Driscoll
Interim President and Chief Executive Officer
RESOLUTION

RESOLVED, That the Finance and Risk Committee recommends that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, the award of a two-year construction contract to Elecnor Hawkeye, LLC in the amount of $37,877,000 for the reconductoring of the Nassau Segment of the Y49 Transmission Line, as recommended in the foregoing memorandum of the Interim President and Chief Executive Officer;

RESOLVED, That the Authority will use Capital Funds, which may include proceeds of debt issuances, to finance the costs of the Y49 Nassau Segment Reconductoring project.

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Contract Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elecnor Hawkeye, LLC</td>
<td>$37,877,000</td>
</tr>
<tr>
<td>Hauppauge, New York</td>
<td></td>
</tr>
<tr>
<td>RFP #Q21-7226BS</td>
<td></td>
</tr>
</tbody>
</table>
Date: January 12, 2022
To: THE FINANCE AND RISK COMMITTEE
From: THE PRESIDENT and CHIEF EXECUTIVE OFFICER
Subject: Enterprise Risk and Resilience Consulting Services - Recommendation for Award

SUMMARY

The Trustees will be requested at their January 25, 2022 meeting to approve an award for Enterprise Risk and Resilience Consulting Services to Aon Risk Services Northeast, Inc. (New York, NY); Customer Care Network, Inc. (Marietta, GA); Deloitte & Touche LLP (New York, NY); Ernst & Young LLP (New York, NY); Guidehouse Inc. (New York, NY); Marsh USA, Inc. (New York, NY) and The Brattle Group, Inc. (Boston, MA), requesting authorization for $10 million over 5 years.

The Finance and Risk Committee is requested to recommend to the Trustees the approval of the aforementioned.

BACKGROUND

To successfully execute VISION2030, the New York Power Authority’s transformational strategy, the Risk Management & Resilience group sought consulting services in the following work areas:

1. Enterprise Resilience – Program Support
2. Enterprise & Operational Risk Management – Program Support
3. Market & Commodities Risk – Modeling, Validation and/or Valuation
4. Credit Risk – Program Support
5. Insurance – Program Support

DISCUSSION

Pursuant to Section § 2879 of Public Authority's Law (PAL), the Authority issued a Request for Proposal (RFP) for No. Q21-7234SS soliciting suppliers to bid on five Enterprise Risk and Resilience Consulting Services via Ariba e-sourcing which was advertised in the New York State Contract Reporter on September 30, 2021. Eighty-Five (85) suppliers are listed as having viewed the event notice on the Authority’s SSM website, of which two (2) suppliers were duplicates. Twenty-Two (22) suppliers were listed as having been invited to or requested to participate in the Ariba Event. Twelve (12) proposals were received electronically via Ariba and were evaluated.

The proposals were reviewed by an evaluation team consisting of the Enterprise Resilience, Enterprise Risk, Market & Commodities Risk, Credit Risk, and Insurance.
The proposals were evaluated in the work area by:

- Demonstrating expertise in subject areas through prior project experience and its applicable relevance to NYPA.
- Experience with the New York Independent System Operator (NYISO) and neighboring ISOs.
- Experience with New York State goals, energy industry and applicable industry and/or market regulations.
- Knowledge of risk management frameworks (COSO, ISO) and standards.
- Development of monitoring metrics; not required, but desired ability to have metrics that result in performance change through change management practices.

After the virtual interview meetings, the following seven companies demonstrated the best understanding and ability to provide high quality, best practices on all or portions of the requested services at competitive pricing:

<table>
<thead>
<tr>
<th>SUPPLIER</th>
<th>Recommendation Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aon Risk Services Northeast Inc.</strong></td>
<td>Recommended for one program: 5. Insurance Support</td>
</tr>
<tr>
<td><strong>Guidehouse Inc.</strong></td>
<td>Recommended for one program: 1. Enterprise Resilience Program Support.</td>
</tr>
</tbody>
</table>

**FISCAL INFORMATION**

This request for award is requesting authorization for $10 million over 5 years.

**RECOMMENDATION**

The Executive Vice President and Chief Financial Officer and the Chief Risk and Resilience Officer request that the Finance and Risk Committee recommend that the Trustees approve the award of Personal Service contracts to the seven best value and technically
qualified vendors for Enterprise Risk and Resilience Consulting Services in an aggregate amount of $10 million for a term of five years to Aon Risk Services Northeast, Inc. (New York, NY); Customer Care Network, Inc. (Marietta, GA); Deloitte & Touche LLP (New York, NY); Ernst & Young LLP (New York, NY); Guidehouse Inc. (New York, NY); Marsh USA, Inc. (New York, NY) and The Brattle Group, Inc. (Boston, MA).

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

Justin Driscoll
President and Chief Executive Officer
RESOLUTION

RESOLVED, That the Finance and Risk Committee recommends that the Trustees approve the award of Enterprise Risk and Resilience Consulting Services to Aon Risk Services Northeast, Inc. (New York, NY); Customer Care Network, Inc. (Marietta, GA); Deloitte & Touche LLP (New York, NY); Ernst & Young LLP (New York, NY); Guidehouse Inc. (New York, NY); Marsh USA, Inc. (New York, NY) and The Brattle Group, Inc. (Boston, MA), requesting authorization for $10 million over 5 years.
Memorandum

Date: January 12, 2022

To: THE FINANCE AND RISK COMMITTEE

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Beechcraft King Air B350 Transfer of Ownership to the New York State Police

SUMMARY

The Trustees will be requested at their January 25, 2022 meeting to approve the transfer of ownership of the Authority's Beechcraft King Air B350 aircraft, S/N FL539, Registration Number N350NY (the "B350 Plane") to the New York State Police ("State Police") for use by the State Police in furtherance of its mission to serve, protect and defend the people of the State of New York.

The Finance and Risk Committee is requested to recommend to the Trustees the approval of the aforementioned.

BACKGROUND

The Authority is considering the purchase of a new plane. The Authority’s plane has historically proven to be an essential business tool to cost effectively meet essential travel needs in support of its strategic goals. Additionally, with the onset of Covid, the plane has provided an effective alternative method of travel for the Authority to minimize exposure risk to its employees. It is the Authority’s intent to publish a request for proposals for the purchase of a new plane but is considering a temporary plane leasing arrangement by bid in the interim due to the minimum nine-month lead time for new plane orders.

By the attached letter of Kevin P. Bruen (Exhibit "A") the State Police expressed interest in obtaining ownership of the B350 Plane as an addition to their fleet. The State Police are willing to assume ownership of the B350 Plane in its "as is" condition and the transfer document will require that the ownership and use of the B350 Plane will remain with the State Police. Due to budgetary constraints, the State Police is unable to pay the fair market value of the B350 Plane and the Authority proposes to transfer the B350 Plane for no monetary consideration. Additionally, the State Police will cooperate with the Authority in all aspects of the transfer, including the requirements of the U.S. Department of Transportation, Federal Aviation Administration.

In 2006, the Authority transferred ownership of its Beechcraft King Air B200 aircraft to the State Police for no monetary consideration. The market value of the B200 plane was between $1,300,000 and $1,600,000. The transfer was done pursuant to New York State Public Authorities Law, Section 2897. The B200 plane is still in use by the State Police and the addition of the B350 Plane to their fleet will enhance their ability to respond rapidly to significant events and provide law enforcement services statewide quickly and efficiently. The Authority purchased the B350 Plane in 2007 for use by the Authority primarily to transport employees to and from Authority facilities throughout New York State. The purchase price was $6,366,188.00. Based on a December 2021 Market Analysis provided by Textron Aviation, the current resale value of the B350 Plane is between $2,900,000 and $3,400,000 (Exhibit “B”).
DISCUSSION

Title 5-A of Article 9 of the Public Authorities Law (the "Act") and the Authority's Guidelines for the Disposal of Personal Property (the "Guidelines") allow the Authority, with the approval of the Trustees, to dispose of Authority property for less than fair market value when the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the property will remain with the government or any other public entity. Accordingly, based on the foregoing, the transfer of ownership of the B350 Plane to the State Police is in accordance with the Act and the Guidelines.

The Act and the Guidelines require that the purpose and the terms of such disposal are documented in writing and approved by resolution of the Trustees. Further, the Act and the Guidelines require that an explanatory statement be prepared of the circumstances of each disposal by negotiation and be transmitted to the New York State Comptroller, the Director of the Budget, the Commissioner of General Services, and the Legislature not less than 90 days in advance of the disposal. Accordingly, this transfer is subject to approval by the Trustees and the timely filing of the required statement. This Trustee action, if adopted, would constitute the foregoing required explanatory statement and Trustee action.

The transfer is to be further conditioned upon the execution of an agreement between the State Police and the Authority. The terms of such an agreement are to include transferring the aircraft in its "as is" condition, a requirement that the ownership and use of the B350 Plane will remain with the State Police and such additional provisions that reasonably safeguard the Authority from future responsibility.

FISCAL INFORMATION

In accordance with the foregoing, the B350 Plane will be transferred to the State Police without payment to the Authority.

RECOMMENDATION

The Executive Vice President & Chief Financial Officer, the Vice President – Strategic Supply Management, and the Vice President – Enterprise Shared Services request that the Finance and Risk Committee recommend that the Trustees approve the transfer of ownership of the Authority's King Air B350 airplane to the New York State Police for use by the State Police in furtherance of its mission to serve, protect and defend the people of the State of New York, pursuant to Title 5-A of Article 9 of the Public Authorities Law and the Authority's Guidelines for the Disposal of Personal Property.

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

Justin E. Driscoll
Interim President and Chief Executive Officer
RESOLUTION

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

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.
December 8, 2021

Mr. Justin E. Driscoll  
Interim President and CEO  
New York Power Authority  
White Plains, NY 10601-3170

Dear Mr. Driscoll:

It has been brought to my attention that the New York Power Authority may be considering disposing of its Beech Craft King Air 350 Airplane. The New York State Police would be interested in obtaining this airplane and feel that it would be an invaluable addition to our fleet, enabling us to better meet our mission of protecting and serving the people of this State.

I am sure that you are aware that our mission and that of law enforcement in general has evolved significantly over the past several years. Through significant events and changes in crime and public safety trends, the Division of State Police has become increasingly relied upon to move personnel and equipment across the state often with little or no notice. The addition of this airplane to our fleet will enhance our ability to respond to that need. In doing so we can move incident command staff, field personnel and emergency response personnel around the state so that proper assessment and remediation of incidents can be made. We also envision this aircraft being used to assist us in the prevention and detection of crime and other violations of the law. This would include an enhanced ability to travel, both inside and outside the state, to retrieve defendants who have fled to avoid apprehension.

We feel that this piece of equipment will greatly help in our effort to meet our mission, and would agree to maintain the aircraft for the remainder of its useful life. Additionally, given the market value of this necessary resource, it would not be possible for the Division of State Police to acquire this aircraft with available funds. I thank you for any consideration you may afford our agency in this matter.

Sincerely,

[Signature]

Kevin P. Bruen  
Superintendent
FL-539 MARKET ANALYSIS December 2021, prepared by John Blatchley

There are only 16 King Air 350's for sale, representing 2.4% of the fleet. King Airs overall have a record low 2.8% of the fleet for sale. There’s about 3 and a half months of supply given the recent rate of sales. Ask prices range from $1,200,000 to $2,750,000, depending mainly on model year, total time, and engine time since overhaul. Pricing has increased over the past 6 months. Recent sales are shown below. A 2007 with similar total time, original paint and interior, and no Fusion avionics sold in October for $2,735,000. The market has strengthened since October. FL-539’s recent paint and interior, remaining time until hot section, and Fusion avionics should propel pricing up above recent comparable sales.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>ASK PRICE</th>
<th>PRICE</th>
<th>PRICE</th>
<th>TOTAL</th>
<th>PRICE</th>
<th>TOTAL</th>
<th>TOTAL</th>
<th>PRICE</th>
<th>TOTAL</th>
<th>DATE</th>
<th>STR</th>
<th>PRG</th>
<th>MECH</th>
<th>DFCS</th>
<th>PAINT</th>
<th>INT</th>
<th>NOTE</th>
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</thead>
<tbody>
<tr>
<td>2007</td>
<td>$2,700,000</td>
<td>$2,700,000</td>
<td>$2,700,000</td>
<td>$2,700,000</td>
<td>$2,700,000</td>
<td>Oct-01</td>
<td>4,500</td>
<td>N</td>
<td>None</td>
<td>None</td>
<td>2007</td>
<td>2007</td>
<td>800 TSOH</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>$2,150,000</td>
<td>$2,150,000</td>
<td>$2,150,000</td>
<td>$2,150,000</td>
<td>$2,150,000</td>
<td>Sep-21</td>
<td>2,600</td>
<td>Y</td>
<td>None</td>
<td>None</td>
<td>2011</td>
<td>2006</td>
<td>750 TSOH</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>$2,650,000</td>
<td>$2,650,000</td>
<td>$2,650,000</td>
<td>$2,650,000</td>
<td>$2,650,000</td>
<td>Aug-21</td>
<td>3,300</td>
<td>N</td>
<td>None</td>
<td>None</td>
<td>2005</td>
<td>2005</td>
<td>350 TSOH</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>$2,200,000</td>
<td>$2,200,000</td>
<td>$2,200,000</td>
<td>$2,200,000</td>
<td>$2,200,000</td>
<td>Jul-21</td>
<td>3,000</td>
<td>N</td>
<td>None</td>
<td>None</td>
<td>2009</td>
<td>2009</td>
<td>5,500 TSOH</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>$2,600,000</td>
<td>$2,600,000</td>
<td>$2,600,000</td>
<td>$2,600,000</td>
<td>$2,600,000</td>
<td>Jun-21</td>
<td>3,500</td>
<td>N</td>
<td>None</td>
<td>None</td>
<td>2013</td>
<td>2013</td>
<td>500 TSOH</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

We recommend a $3,475,000 ask price and a $2,900,000 to $3,400,000 take price, assuming:
- there’s no major damage or corrosion history.
- the aircraft records are complete.
- the engines are about 1,100 hours since overhaul.
- Collins Fusion avionics are installed.
- the paint and interior were refurbished in 2017 and are in good condition.
- the aircraft is listed for sale within the next 30 days.

Sources: JETNET LLC and Textron Aviation Inc.
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6. Next Meeting 12

7. Closing 12
Minutes of the joint meeting of the New York Power Authority and Canal Corporation’s Finance and Risk Committee held via videoconference at approximately 8:00 a.m.

**Members of the Finance Committee present were:**

Tracy B. McKibben - Chair  
John R. Koelmel  
Eugene Nicandri  
Dennis Trainor  
Michael Balboni  
Bethaida Gonzalez  

Anthony Picente, Jr. - Excused  

----------------------------------------------------------------------------------------------------------------------------------

**Also in attendance were:**

<table>
<thead>
<tr>
<th>Name</th>
<th>Title/Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Justin E. Driscoll</td>
<td>Interim President and Chief Executive Officer</td>
</tr>
<tr>
<td>Philip Toia</td>
<td>President – NYPA Development</td>
</tr>
<tr>
<td>Lori Alesio</td>
<td>Interim Executive Vice President and General Counsel</td>
</tr>
<tr>
<td>Adam Barsky</td>
<td>Executive Vice President and Chief Financial Officer</td>
</tr>
<tr>
<td>Joseph Kessler</td>
<td>Executive Vice President and Chief Operating Officer</td>
</tr>
<tr>
<td>Kristine Pizzo</td>
<td>Executive Vice President and Chief Human Resources &amp; Administrative Officer</td>
</tr>
<tr>
<td>Sarah Salati</td>
<td>Executive Vice President and Chief Commercial Officer</td>
</tr>
<tr>
<td>Daniella Piper</td>
<td>Regional Manager and CTO</td>
</tr>
<tr>
<td>Saul Rojas</td>
<td>Regional Manager – Site Administration - SENY</td>
</tr>
<tr>
<td>Yves Noel</td>
<td>Senior Vice President and Chief Strategy Officer</td>
</tr>
<tr>
<td>Robert Piascik</td>
<td>Senior Vice President and Chief Information &amp; Technology Officer</td>
</tr>
<tr>
<td>Karen Delince</td>
<td>Vice President and Corporate Secretary</td>
</tr>
<tr>
<td>Adrienne Lotto Walker</td>
<td>Vice President and Chief Risk &amp; Resilience Officer</td>
</tr>
<tr>
<td>Andrew Boulais</td>
<td>Vice President – Project &amp; Construction Management</td>
</tr>
<tr>
<td>John Canale</td>
<td>Vice President – Strategic Supply Management</td>
</tr>
<tr>
<td>Ronald Carroll</td>
<td>Vice President – Product Dev Data Mgmt &amp; Enterprise Arch</td>
</tr>
<tr>
<td>Ricardo DaSilva</td>
<td>Vice President – Strategic Operations</td>
</tr>
<tr>
<td>Eric Meyers</td>
<td>Vice President – Chief Information Security Officer</td>
</tr>
<tr>
<td>Anne Reasoner</td>
<td>Vice President – Budgets and Business Controls</td>
</tr>
<tr>
<td>Thakur Sundeep</td>
<td>Controller</td>
</tr>
<tr>
<td>Javier Buccobo</td>
<td>Assistant General Counsel – Power Transmission &amp; Regulatory</td>
</tr>
<tr>
<td>James Levine</td>
<td>Assistant General Counsel – Finance and Bonds</td>
</tr>
<tr>
<td>Steven Weiner</td>
<td>Senior Director – OM &amp; Capital Budgets</td>
</tr>
<tr>
<td>Julene Beckford</td>
<td>Senior Attorney II</td>
</tr>
<tr>
<td>Carley Hume</td>
<td>Deputy Chief of Staff</td>
</tr>
<tr>
<td>Christopher Vitale</td>
<td>Finance Performance &amp; Reporting Manager</td>
</tr>
<tr>
<td>Mary Cahill</td>
<td>Manager – Executive Office</td>
</tr>
<tr>
<td>Philip Loverso</td>
<td>Manager – Financial Planning</td>
</tr>
<tr>
<td>Lorna Johnson</td>
<td>Senior Associate Corporate Secretary</td>
</tr>
<tr>
<td>Sheila Quatrocci</td>
<td>Associate Corporate Secretary</td>
</tr>
<tr>
<td>Andrea Kelli Higgs</td>
<td>Associate Corporate Secretary</td>
</tr>
<tr>
<td>Michele Stockwell</td>
<td>Project Coordinator – Executive Office</td>
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<td>Bruce Van Dusen</td>
<td>Consultant – Hawkins Delafield and Wood LLP</td>
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Chairperson Tracy McKibben presided over the meeting. Corporate Secretary Delince kept the Minutes.
Introduction

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

1. Adoption of the November 16, 2021 Proposed Meeting Agenda

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

Conflicts of Interest

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

2. Motion to Conduct and Executive Session

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

3. Motion to Resume Motion in Open Session

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

Chairperson McKibben said no votes were taken during the executive session.
4. DISCUSSION AGENDA:
   a. Financial Operations
      i. Chief Risk & Resilience Officer Report

         Ms. Adrienne Lotto Walker, Chief Risk & Resilience Officer for NYPA and Canals, provided an
         update on an assessment that was conducted earlier this year, and on the NYPA and Canals current
         maturity level and results. The purpose of the assessment was to understand some of the team's
         strengths and potential areas for improvement so that they could focus on this prior year results and go
         into 2022 gaining additional strength.

         NYPA’s Risk Management Maturity

         The Maturity Assessment, conducted with Gartner, covered five functional areas, namely,
         Resilience and Emerging Threats; Enterprise and Operational Risk; Corporate Insurance; Market
         Commodities and Credit Risk, with 21 sub-functions. Currently, NYPA is slightly below the industry
         average for energy and utility. However, NYPA have identified areas of potential improvement and plans
         to reach a target of three by the end of 2022. The plans, which include formalizing the emerging risk
         process and collaborating with Risk and Controls, will enable the Authority to mature its program over the
         next years. Also, in January of next year, staff will be requesting the members’ approval of the Risk
         Appetite Statement which will enhance the Authority's maturity level.

         2021 Risk and Resilience Accomplishments

         Some of the accomplishments over the past several months include:

         Resilience & Emerging Threats
         - Business Continuity Plans - this remains an integral role and part of any Resilience and Risk
           Management program.
         - Risk Culture – conducted training this year for leaders and program personnel that have a role to play
           during the BCP-type event.
         - Climate and Resilience Adaptation Study.
         - EGRC modules for Risk, Business Controls, Internal Audit and Corporate Insurance.

         Enterprise & Operational Risk
         - At the beginning of 2022, an updated Risk Appetite Statement will be presented to the members for
           consideration
         - Completed Annual Enterprise Risk Assessments
         - Updated and established new Risk Governance
         - Completed Business Unit Operational Risk Training
         - Establish new Helicopter Services Oversight Committee, a cross-functional team between Risk,
           Operations, SSM and Legal.

         Risk & Resilience have taken a deep drive to understand the risks associated with the VISION2030
         Strategy as it relates to building new transmission, ensuring that processes are in place to fully
         established and mature with best-in-class practices.
Corporate Insurance

- In partnership with Strategic Supply Management ("SSM") Risk & Resilience continues to work on Supplier Diversity initiatives, as well as the OCIP Program currently at 99.1 percent capacity, projecting costs avoided through the term, $11.5 million, which expires in June of 2023.

Market, Commodities & Credit Risk

- In January, the members will be provided with an update on the Commodities Strategy in terms of hedging. To date, this is in conformance with the current strategy.

- An Enterprise Credit Risk Committee has been established to ensure that the group understands the risk and reward associated with the partners and suppliers that they are working with as it relates to energy efficiency projects and some of the work that the NYPA Development team is leading in terms of business development.

Risk and Resilience Roadmap

Upcoming activities in 2022 include further development of the EGRC Module with Legal and Compliance, Operationalizing the Credit Desk and Climate Controls Study results, and maturing the programs and processes with a full roadmap and a full integrated assurance model, working with Internal Audit.

ii. Chief Financial Officer Report

Mr. Adam Barsky, Executive Vice President and Chief Financial Officer provided highlights of the report and staff’s recommendations for the Board’s approval.

Year-to-Date Actuals through September 30

The Authority continues to maintain the trends it has been reporting on throughout the year, operating ahead of its Budget Plan.

- Margins - Generation – although generation volume is down slightly, prices have increased significantly during the year. There are, however, some moderate upsides because of the Authority’s Hedging Program.

- Margins - Transmission – doing significantly better than planned. This is due, in part, to the mid-year transmission revenue requirement update that went into effect on July 1st, which was better than originally forecasted. Also, there has been a significant amount of income from the FACTS revenues, which are revenues derived from the transmission technology which helps to deal with congestion when it occurs in the system.

- Margins - Non-utility – slightly below the original target. This is mostly related to the pace of the energy efficiency work, which is running slightly behind schedule.

- Operating Expenses – running lower in certain areas, e.g., the allocation to capital. This is as a result of the capital program spending being behind schedule. The gap will close at the end of the year.

Full-Year Forecast - Year-End Projection (January – December 2021)

Based on the information on the actuals and our forecasting, the Authority is still projecting year-end totals to be higher than planned by $18 million, a significant increase to the Budget Plan of $58 million. In
The Authority continues to operate towards its Budget Plan. Potential upside will be greater than the downside by $72 million between now and the end of the year. Finalization of some of the actuarial changes made this year with regard to the OPEB Program is in effect. Earlier in the year, the Trustees approved the merger of the Canals OPEB into NYPA, as well as the implementation of the Medicare Advantage Plan, which provides a level of insurance for post-employment benefits when NYPA’s retirees reach the age of 65. This combination will provide significant savings to the original Plan; those numbers are being finalized by the Actuary and confirmed by KPMG; further information on this will be provided at the next meeting.

iii. **New York Power Authority and New York State Canal Corporation Filing of the 2022 Budget and 2022-2025 Financial Plan Pursuant to Regulations of the Office of the State Comptroller**

On motion made by member Dennis Trainor and seconded by member Michael Balboni, the following resolution, as recommended by the Interim President and Chief Executive Officer, was unanimously adopted:

RESOLVED, That the Finance and Risk Committee hereby recommends that the Board of Trustees (on behalf of the Power Authority and the Canal Corporation) approve the 2022 Budgets, specifically including the expenditures for the (i) 2022 Power Authority Budgets and (ii) 2022 Canal Corporation Budgets, each as discussed in the memorandum of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Finance and Risk Committee hereby further recommends that the Board of Trustees authorize up to $883.7 million of monies in the Operating Fund to be withdrawn from such Fund and deposited in the Capital Fund, provided that at the time of withdrawal of such amount or portions of such amount, the monies withdrawn are not then needed for any of the purposes specified in Sections 503(1)(a)-(c) of the General Resolution Authorizing Revenue Obligations as amended and supplemented, with the satisfaction of such condition being evidenced by a certificate of the Treasurer or the Deputy Treasurer; and be it further

RESOLVED, That the Finance and Risk Committee hereby further recommends that the Board of Trustees (on behalf of the Power Authority and the Canal Corporation), pursuant to 2 NYCRR Part 203, approve the Budget and Financial Plan, including the certification by the Chief Operating Officer, in accordance with the memorandum of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Finance and Risk Committee hereby further recommends that the Board of Trustees (on behalf of the Power Authority and the Canal Corporation) pursuant to 2 NYCRR Part 203, authorize the Corporate Secretary to submit the Budget and Financial Plan to the Office of the State Comptroller in the prescribed format, post the Budget and Financial Plan on the Power Authority’s website and make the Budget and Financial Plan available for public inspection at not less than five convenient public places throughout New York State; and be it further

RESOLVED, That the Finance and Risk Committee hereby further recommends that the Board of Trustees authorize the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer, and all other officers of the Power Authority on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.
iv. Proposed Issuance of Bonds and Release of Funds in Support of Separately Financed Projects

1. Proposed Issuance of Transmission Project Revenue Bonds

On motion made by member Michael Balboni and seconded by member Dennis Trainor, the following resolution, as recommended by the Interim President and Chief Executive Officer, was unanimously adopted:

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

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

2. Release of Funds in Support of Separately Financed Projects

On motion made by member Michael Balboni and seconded by member Dennis Trainor, the following resolution, as recommended by the Interim President and Chief Executive Officer, was unanimously adopted:

RESOLVED, That the Finance and Risk Committee hereby recommends that the Trustees authorize the release of an additional amount of up to $35 million in funding to support Separately Financed Projects of the Authority, as discussed in the memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Finance and Risk Committee recommends that the Trustees affirm the amounts presently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503(2) of the Authority’s General Bond Resolution, that the amount of up to $35 million in funding as described in the memorandum is not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority’s General Bond Resolution, and that the release of such amount is feasible and advisable; and be it further

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

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

v. Release of Funds in Support of the New York State Canal Corporation (Q1 2022)

On motion made by member Dennis Trainor and seconded by member Michael Balboni, the following resolution, as recommended by the Interim President and Chief Executive Officer, was unanimously adopted:

RESOLVED, That the Finance and Risk Committee hereby recommends that the Trustees authorize the release of an additional up to $21.3 million in funding to the Canal Corporation to support operations of the Canal Corporation in calendar year 2022, as discussed in the memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Finance and Risk Committee recommends that the Trustees affirm the amounts presently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority’s Bond Resolution, that the amount of up to $21.3 million in funding as described in the memorandum is not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority’s General Resolution Authorizing Revenue Obligations, as amended and supplemented, and that the release of such amount is feasible and advisable; and be it further

RESOLVED, That Finance and Risk Committee recommends that the Trustees affirm that as a condition to making the payments specified in the memorandum, on the day of such payments, the Treasurer shall certify that such monies are not then needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority’s General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further

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

vi. Release of Funds in Support of the Residential Consumer Discount Program Created in Connection with the Recharge New York Power Program

On motion made by member Eugene Nicandri and seconded by member Dennis Trainor, the following resolution, as recommended by the Interim President and Chief Executive Officer, was unanimously adopted:

RESOLVED, That the Finance and Risk Committee hereby recommends that the Trustees authorize the release of $30.0 million from the Operating Fund during 2022 to support the monthly Residential Consumer Discount Program as authorized by Chapter 60 of the Laws of 2011 and as discussed in the memorandum of the President and Chief Executive Officer; and be it further
RESOLVED, That the amount of $30.0 million to be used for the Residential Consumer Discount Program described herein is not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority’s General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further

RESOLVED, That as a condition to making the payments specified in the foregoing resolutions, on the day of such payment the Treasurer or the Deputy Treasurer shall certify that such monies are not then needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority’s General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further

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

b. Utility Operations

i. Digital Utility Strategic Partnership Aggregate Funding and Extension of Value Contracts

On motion made by member Dennis Trainor and seconded by member John Koelmel, the following resolution, as recommended by the President and Chief Executive Officer, was unanimously adopted:

RESOLVED, That the Finance and Risk Committee recommend that the Trustees authorize the Interim President and Chief Executive Officer or such officer designated by the Interim President and Chief Executive Officer to execute agreements and other documents between the Authority and the recommended participants of RFP No. Q17-6236MH / Q18-6470MB Digital Utility Strategic Partnership / Data Analytics Master Services Agreement Contract Awards; and be it further

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

c. Strategy & Corporate Development

i. VISION2030 Foundational Pillar Update – Resilience

Ms. Adrienne Lotto Walker provided an update of the Risk and Resilience team’s efforts and accomplishments as it relates to the adoption of the enterprise-wide resilience strategy.

Tactic A - Develop an Empowered Enterprise-wide Resilience Function

Earlier this year, the Resilience team joined with the Risk team. The first tactic focused on blending some of the traditional resilience functions and empowering personnel to challenge themselves and shine a light on some of the novel resilience concepts.
2021 year-end accomplishments include:

- Deployed new training and enhanced its Business Continuity Plans.
- Strengthened collaboration with IT, working with them over the course of the last several months on disaster recovery, so that the team can better understand and position NYPA to respond to an event should continuity or disaster recovery be required.
- Initiated a Climate Resilience and Adaptation Study.

In 2022, Risk & Resilience is planning to utilize the findings of that study to develop client-informed resilience and adaptation studies with the Planning team in Utility Operations.

Tactic B – Pro-actively Identify Strategic Enterprise Risks and Enable Employees to Take Action

2021 year-end accomplishments include:

- The Risk Appetite Statement which was created to foster transparency and risk tolerances in terms of decision-making across the enterprise.
- Establishment of governance and monitoring of a new Blended Power Program.
- Completion of the Annual Enterprise Risk Assessments.

Risk and Resilience looks forward to continuing to work with personnel, making them aware of the Risk Appetite statements so that the group can understand, track, escalate and get immediate action should risks arise, and continuing to employ training on operational risks.

In 2022, Risk and Resilience plans to leverage the EGRC tool to conduct the annual Enterprise Risk Assessment and formalize an Emerging Risk Program.

Tactic C – Establish, Maintain and Utilize the eGRC tool to enhance Risk Decision-making

2021 year-end accomplishments include:

- Working with Business Units such as Risk Management, Business Controls, Internal Audit, Corporate Insurance and IT, Risk and Resilience completed the eGRC training for the risk owners and delegates to enhance the risk culture and decision-making at the Authority in real time in order to utilize and capitalize on opportunities presented.

In 2022, Risk and Resilience will continue to deploy the platform and work with Ethics and Compliance to strengthen that second line of defense to be more insightful.

ii. VISION2030 Foundational Pillar Update – Digitalization

Mr. Robert Piascik, Senior Vice President, Chief Information and Technology Officer, provided an update on the VISION2030 Foundational Pillar as it relates to Digitalization.

Digitization Pillar - Overview

The objective of the Digitization Pillar is to make sure that the Authority enhances its critical digital services for sustainability, functionality, and resiliency, and deliver capabilities for VISION2030. It is also critical for the team to leverage technology innovation, whether disruptive or enabling.
Digitalization Pillar: 2021 Progress

Information Technology (“IT”) is on track to realize and deliver on all of the commitments associated with its Digitization Pillar. IT is meeting, and in some cases exceeding, the outcomes and metrics for 2021, and expects to fully meet the commitments for the full year-end targets as well.

As previously reported, IT is putting its assets to work and realizing Business Value as it relates to analytics, Customer Account Center, and usage. IT is maintaining a safe, secure, digital environment for people to work. The team is making sure that the employees are safe, especially during the COVID-19 pandemic. Employees have access to information, and they know how to follow the protocols. The employees are productive and NYPA’s customers have the function they need to get information faster with improved quality. For example, the number of functional releases of software updates to the workforce and customers has gone up 46 percent in comparison to last year. Therefore, the Authority is realizing a return on investments that have been made over the recent years with people, process, and technology.

NYPA is learning to govern better and prioritize the work. The top ten strategic initiatives were agreed upon by all Business Units, a key maturity point for the organization. The Business Value for 2021, to date, is that they are committed to digitally transform the Authority, in partnership with all of the business units to adopt, apply and deliver the digital capabilities, the goal of which is for the Authority to be the first end-to-end digital organization.

Digitization Pillar: 2022 Priorities – 16 Major Deliverables

The 16 major deliverables are derived from the 2021 Strategic Initiatives. IT plans to:

- Continue to protect its digital assets with greater cyber and business continuity resiliency.
- Continue to expand connectivity services across sites to ensure access to business applications.
- Continue to improve asset management and performance not only in generation transmission but also within IT.
- Modernize its financial and business processes.
- Leverage innovative technologies to accelerate its VISION2030 goals.

Mr. Piascik ended that he is very proud of NYPA’s progress with digitization specific to VISION2030. He is equally proud of the partnerships between IT and all of the Business Units to co-develop, co-deploy, and actually use the capabilities despite the headwinds of the COVID-19 pandemic and supply chain challenges.
5. CONSENT AGENDA:

On motion made by member Dennis Trainor and seconded by member Michael Balboni, the Consent Agenda was unanimously adopted.

a. Utility Operations

i. Transmission Life Extension & Modernization Program Tower Coating Upgrades – WNY Contract Award

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

RESOLVED, That the Finance and Risk Committee recommends that the Trustees, pursuant to the Authority’s Capital Planning and Budgeting Procedures, approve the award of a five-year contract to Public Utilities Maintenance Inc., of Queens Village, NY in the amount of $12,082,780 for the Transmission Life Extension and Modernization Program - Tower Coating Upgrades Project for the Western NY Region, as recommended by the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Authority will use Capital Funds, which may include proceeds of debt issuances, to finance the costs for the Transmission Life Extension and Modernization Program - Tower Coating Upgrades Project for the Western NY Region.

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<th>Expenditure</th>
<th>Authorization</th>
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<tr>
<td>TLEM - Tower Coating</td>
<td>$12,082,780</td>
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<td>Western NY Region</td>
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AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.

b. Approval of the Joint Meeting Minutes of the Finance and Risk Committee held on September 21, 2021

On motion made and seconded the Minutes of the New York Power Authority’s and Canal Corporation’s Finance Committee held on September 21, 2021 were unanimously adopted.

c. Approval of the Joint Special Meeting Minutes of the Finance and Risk Committee held on October 6, 2021

On motion made and seconded the Minutes of the New York Power Authority’s and Canal Corporation’s Special Finance Committee held on October 6, 2021 were unanimously adopted.
6. **Next Meeting**

Chairperson Tracy McKibben said that the next regular meeting of the Finance and Risk Committee will be determined.

**Closing**

On motion made by member Michael Balboni and seconded by member Dennis Trainor, the meeting was adjourned by Chairperson McKibben at approximately 10:10 a.m.

Karen Delince
Karen Delince
Corporate Secretary
Next Meeting

The next regular meeting of the Joint Finance & Risk Committee is to be determined.