1. Adoption of the March 18, 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 – Managing Credit Exposure (Adrienne Lotto Walker)
      ii. Chief Financial Officer Report (Adam Barsky)
      iii. Amendment and Restatement of the 2020 Revolving Credit and Note Purchase Agreements (Christina Reynolds)
      iv. Recommend Release of Funds in Support of the New York State Canal Corporation (Adam Barsky)
   b. Utility Operations
      i. Supply Chain and Inflation Risk – Report (Adrienne Lotto Walker)
      ii. High Voltage Circuit Breakers – On-Call Contract Awards (Andrew Boulais)
      iii. Substation Transformers and Shunt Reactors – On-Call Contract Awards (Andrew Boulais)
      iv. St. Lawrence Power Project - Robert Moses Power Dam Autotransformer 1 – Capital Expenditure Authorization Request (Andrew Boulais)

5. CONSENT AGENDA:
   a. Utility Operations
      ii. Disconnect Switches On-Call Contract – Request for Waiver to Article 22 “STEEL COMPONENTS” (Andrew Boulais)
      iii. Overhead Conductor and Overhead Ground Wire – On-Call Contract Award (Andrew Boulais)
b. Financial Operations
   i. Contribution of Funds to the State Treasury (Adam Barsky)

c. Approval of the Joint Meeting Minutes held on January 12, 2022

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).
Motion to Resume Meeting in Open Session

I move to resume the meeting in Open Session.
Chief Risk & Resilience Officer Report – Managing Credit Exposure

Adrienne Lotto Walker – VP, Chief Risk & Resilience Officer
Earl Faunlagui – Sr. Director, Market & Commodities Risk

March 18, 2022
Credit Risk throughout the Organization

Credit Risk is the possibility of loss resulting from failure to receive payments from contractual obligations.

**Commodity Hedging Programs**
- Counterparties used to mitigate energy & metal price exposure
- Exposure with over-the-counter counterparties is at $11 million

**Clean Energy Solutions**
- Loan financing portfolio over $400 million
- Close to $1 billion in committed projects

**Short-Term Receivables**
- Economic Development Programs, Customer Contracts, Municipals and Cooperatives

Enterprise Credit Risk Committee provides oversight, controls & guidance
Managing & monitoring credit risk can lessen impact to cash flow

Figures as of November 2021
Hedging with Counterparties

Introduces a contractual, financial obligation with an external party

Price Risk

Credit Risk

Hedge program reduces market price risk in the portfolios

Sample of Available Counterparties

<table>
<thead>
<tr>
<th>Counterparty</th>
<th>S&amp;P</th>
<th>Moody’s</th>
<th>Unsecured Credit Line (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morgan Stanley Capital Group</td>
<td>A+</td>
<td>Aa3</td>
<td>$20</td>
</tr>
<tr>
<td>JPMorgan Chase Bank NA</td>
<td>A+</td>
<td>Aa2</td>
<td>$20</td>
</tr>
<tr>
<td>Merrill Lynch Commodities Inc.</td>
<td>A-</td>
<td>A2</td>
<td>$5</td>
</tr>
<tr>
<td>NextEra Energy Marketing LLC</td>
<td>A-</td>
<td>Baa1</td>
<td>$5</td>
</tr>
<tr>
<td>Citigroup Energy Inc.</td>
<td>BBB+</td>
<td>A3</td>
<td>$5</td>
</tr>
<tr>
<td>J. Aron and Company (Goldman Sachs)</td>
<td>BBB+</td>
<td>A2</td>
<td>$5</td>
</tr>
<tr>
<td>TransAlta Corp.</td>
<td>-</td>
<td>-</td>
<td>$20</td>
</tr>
</tbody>
</table>

Sample of Available Counterparties

On-Boarding

- Qualify counterparties that are highly rated by credit agencies
- Continual monitoring of credit ratings & financial news
- Relationships governed by industry-standard Credit Support agreements
- Leverage the Authority’s strong credit rating
Disciplined Daily Collateral Management

- Commodity market price movements create exposure
- Holding acceptable collateral instruments, protects position in the event of counterparty default

Illustrative Example
Hedge sale of $50
Market decline to $40
$10 of exposure protected by cash and/or letters of credit

Counterparty Portfolio

- Total 25 eligible counterparties
- More than half of the 13 active counterparties are rated above A-
- Developing guidance:
  - Minimize activities with lesser-rated counterparties
  - Establish limits to avoid position concentration
- Negotiating increased unsecured credit lines and acceptable collateral instruments
Chief Financial Officer Report

Adam Barsky
EVP & Chief Financial Officer

March 18, 2022
## YEAR-TO-DATE ACTUALS THROUGH February 28th

### YTD ACTUALS (JANUARY-FEBRUARY 2022)

<table>
<thead>
<tr>
<th>In $ Thousands</th>
<th>2022 Budget ($)</th>
<th>2022 Current ($)</th>
<th>Variance ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Operating Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Revenue</td>
<td>$356,759</td>
<td>$416,343</td>
<td>$59,584</td>
</tr>
<tr>
<td>Market-Based Power Sales</td>
<td>203,471</td>
<td>183,706</td>
<td>(19,765)</td>
</tr>
<tr>
<td>Non Utility Revenue</td>
<td>5,421</td>
<td>3,253</td>
<td>(2,168)</td>
</tr>
<tr>
<td>Ancillary Service Revenue</td>
<td>5,935</td>
<td>10,889</td>
<td>4,954</td>
</tr>
<tr>
<td>NTAC and Other</td>
<td>43,530</td>
<td>52,762</td>
<td>9,232</td>
</tr>
<tr>
<td><strong>Operating Revenue Total</strong></td>
<td>$615,115</td>
<td>$666,953</td>
<td>$51,838</td>
</tr>
<tr>
<td>Operating Expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Power</td>
<td>(208,192)</td>
<td>(236,914)</td>
<td>(28,723)</td>
</tr>
<tr>
<td>Ancillary Service Expense</td>
<td>(10,451)</td>
<td>(8,278)</td>
<td>2,173</td>
</tr>
<tr>
<td>Fuel Consumed</td>
<td>(101,412)</td>
<td>(82,326)</td>
<td>19,086</td>
</tr>
<tr>
<td>Wheeling</td>
<td>(89,084)</td>
<td>(104,193)</td>
<td>(15,109)</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>(96,686)</td>
<td>(94,269)</td>
<td>2,417</td>
</tr>
<tr>
<td>Other Expense</td>
<td>(18,840)</td>
<td>(28,174)</td>
<td>(9,334)</td>
</tr>
<tr>
<td>Allocation to Capital</td>
<td>5,184</td>
<td>4,791</td>
<td>(394)</td>
</tr>
<tr>
<td><strong>Operating Expense Total</strong></td>
<td>(519,479)</td>
<td>(549,363)</td>
<td>(29,884)</td>
</tr>
<tr>
<td><strong>EBIDA Total</strong></td>
<td>$95,636</td>
<td>$117,590</td>
<td>21,954</td>
</tr>
<tr>
<td><strong>Non Operating</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and Other Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment and Other Income</td>
<td>2,967</td>
<td>2,368</td>
<td>(599)</td>
</tr>
<tr>
<td>Mark to Market Adjustments</td>
<td>0</td>
<td>(140)</td>
<td>(140)</td>
</tr>
<tr>
<td><strong>FADS Total</strong></td>
<td>$98,603</td>
<td>$119,818</td>
<td>$21,215</td>
</tr>
<tr>
<td><strong>Interest &amp; Other Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest &amp; Other Expenses</td>
<td>(18,274)</td>
<td>(21,596)</td>
<td>(3,323)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(53,519)</td>
<td>(53,119)</td>
<td>399</td>
</tr>
<tr>
<td><strong>Interest and Other Expenses Total</strong></td>
<td>(68,825)</td>
<td>(72,488)</td>
<td>(3,662)</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>$26,811</td>
<td>$45,102</td>
<td>$18,292</td>
</tr>
</tbody>
</table>

**EBIDA:** Earnings Before Interest Depreciation & Amortization  
**Funds Available for Debt Service (FADS):** EBIDA + Investment and Other Income + MTM Adjustments
Memorandum

Date: March 18, 2022

To: THE FINANCE AND RISK COMMITTEE

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Amendment and Restatement of the 2020 Revolving Credit and Note Purchase Agreements

SUMMARY

The Trustees will be requested at their March 29, 2022 meeting to adopt a resolution amending the Authority’s 2020 Revolving Credit and Note Purchase Agreements to provide for a sublimit to permit the banks party thereto to issue letters of credit for an amount up to $150 million as an alternative to cash postings for collateral purposes pursuant to NYPA’s hedging activities with counterparts. NYPA will be obligated to reimburse the banks for any amounts drawn on such letters of credit. The existing 2020 Revolving Credit and Note Purchase Credit Agreements will be extended for an additional one-year term on April 20, 2022, pursuant to an existing Trustee approval.

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

BACKGROUND

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 Authority’s commercial paper notes authorization was first adopted in 1994, and most recently amended and restated in 2020. The purpose of today’s request is to provide for a sublimit for Letters of Credit up to $150 million under a previously approved extension of the existing 2020 Revolving Credit and Note Purchase Agreements.

DISCUSSION

Over the past several years, the Authority has been required to increase its cash collateral position with the exchanges pursuant to its hedging requirements. As we look to expand alternative hedging capacity with NYPA’s banks and other market participants, the option to post letters of credit as collateral in lieu of cash when ISDA governed credit limits have been exceeded is requested. With this authorization, the Trustees will have authorized the amendment to the approved extension of the Authority’s 2020 Revolving Credit Agreement and Note Purchase Agreement, which will provide the Authority with the option to request that the banks party thereto issue letters of credit in lieu of using its cash liquidity for an amount of up to $150 million under the existing $250 million Note Purchase Agreement. The amendment requires correlative revisions under both Agreements and will be reflected in an amendment and restatement of each. This amendment under the already approved extension will provide the Authority’s officers with the necessary tools to continue to support the commercial paper program for both tax-exempt and taxable issuances while also expanding the flexibility under the approved facilities to provide for letters of credit and/or cash advances in accordance with our current requirements.
FISCAL INFORMATION

Total authorized Commercial Paper outstanding at any time may not exceed $950,000,000. At present the Commercial Paper Notes are supported by a 2019 Revolving Credit Agreement for an amount of up to $700,000,000 and a 2020 Revolving Credit Agreement and 2020 Note Purchase Agreement for an aggregate amount under both 2020 Agreements of up to $250,000,000. As of March 8th, 2022, outstandings under the Commercial Paper program totaled $504,553,000 consisting of $65,604,000 of taxable issuances supporting the defeasance of our 2011A Revenue Bonds, $163,496,000 of taxable Commercial Paper supporting Energy Efficiency loans and the remaining $275,453,000 supporting Tax-Exempt Energy Efficiency loans.

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 the Amended and Restated 2022 Revolving Credit Agreement and Amended and Restated 2022 Note Purchase Agreement, the form of which is attached hereto and as discussed in the foregoing report of the Interim President and Chief Executive Officer; 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, 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.
Date: March 18, 2022

To: THE FINANCE AND RISK COMMITTEE

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Release of Funds in Support of the New York State Canal Corporation

SUMMARY

The Trustees will be requested at their March 29, 2022 meeting to authorize the release of an additional up to $21.3 million in funding to the New York State Canal Corporation (“Canal Corporation”) to support the operations of the Canal Corporation in calendar year 2022. The amount requested is 25% of the Canal Corporation’s 2022 O&M Budget.

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

BACKGROUND

The Authority has been authorized to provide financial support for the Canal Corporation. See, e.g., Public Authorities Law § 1005-b(2). However, certain expenditures associated therewith do not constitute Capital Costs or Operating Expenses (‘Operating Expenses’) as defined in the Authority’s General Resolution Authorizing Revenue Obligations dated February 24, 1998, as amended and supplemented (‘Bond Resolution’). Expenditures for the Canal Corporation’s operating purposes that do not constitute Capital Costs or Operating Expenses must satisfy the requirements of the Authority’s Bond Resolution relating to the release of funds from the trust estate created by the Bond Resolution for lawful corporate purposes. 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.

The Bond Resolution permits the Authority to withdraw monies ‘free and clear of the lien and pledge created by the [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.

Under the Bond Resolution, Capital Costs (which includes capital costs related to the Canal Corporation) may be paid without satisfying the provision described above.
DISCUSSION

With this authorization, the Trustees will have authorized the release of a cumulative $21.3 million, an amount equal to 25% of the Canal Corporation’s 2022 O&M Budget.

Staff has reviewed the effect of releasing up to an additional $21.3 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 meets all board requirements including maintaining debt service coverage ratio of 2.0. 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 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 up to $21.3 million in funding to support the operation of the Canal Corporation in calendar year 2022. 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 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 Bond Resolution.

The expenses associated with the operations of the Canal Corporation for calendar year 2022 were included in the Canal Corporation’s 2022 O&M Budget and the Authority’s 2022 Budget.

RECOMMENDATION

It is requested that the Finance and Risk Committee recommend that the Trustees authorize the release of an additional up to $21.3 million in funding to the Canal Corporation to support the operations of the Canal Corporation in calendar year 2022. 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 Bond Resolution, and that the amount of up to $21.3 million is not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority’s 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 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 foregoing report of the Interim 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 foregoing report 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 foregoing report, on the day of such payments, the Executive Vice President and Chief Financial Officer 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 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, 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.
Supply Chain & Inflation Risk

Adrienne Lotto Walker – VP, Chief Risk & Resilience Officer
John Canale – VP, Strategic Supply Management
Patricia Lombardi – SVP, Project Delivery
Scott Tetenman – SVP, Finance

March 18, 2022
Table of Contents

- Summary of Market Forces
- Key Risk Mitigation Strategies and Actions
- Cost and Lead Time Impacts
- Risk Mitigation Strategies Example
- Financial & Customer Impacts
Summary of Market Forces

Steel
- Historically, Steel in US for Plate was $35/cwt; 2021 - plate avg $80/cwt
- In 2020, pricing dropped considerably, due to COVID, but has rebounded to historical high levels, nearly doubling
- General outlook is that prices for finished Steel will trend downwards by mid-2022

Aluminum
- In 2020, pricing dropped considerably due to COVID, but have rebounded to historical high, nearly 3X the pre-COVID level
- Most analysts forecast Aluminum prices to continue to increase in 2022, predicting about an additional 6% year-over-year increase
- Current global unrest may drive prices higher

Labor
- Experts predict that severe labor shortages will continue despite current high unemployment, which is expected to continue to drop
- The number of workers taking service jobs is shrinking, with electric line workers impacted the most
- Experts forecast a 4% jump in wage costs for companies in 2022 due to increased inflation and a tighter labor market

Transportation & Logistics
- Trans-ocean shipment costs significantly increased; shipment from Shanghai to Memphis increased from approx. $3,000 in 2020 to $19,000 by Nov 2021
- Limitation in port capacity remains an issue
- Experts are expecting a 3 to 6% overall year-over-year increase in domestic trucking costs
### Key Mitigation Strategies and Actions

Strategic Supply Management (SSM), in collaboration with Utility Ops Project Delivery (PD) organizations have developed and are implementing several strategies and key actions to manage supply chain risks.

#### Challenges
- Extended Lead Times
- Labor Availability
- Commodities Cost Escalation
- Suppliers Mergers & Acquisitions
- Major Equipment Manufacturers
  - Capacity Constraints
  - Suppliers Mergers & Acquisitions
  - Transportation and Logistics Costs
- Global Suppliers Quality and Performance Management
  - NERC CIP Requirements
  - US Steel Requirements

#### Strategy
- Monitor Market Intelligence & Assessments
- Mitigate and Transfer Bidding / Contracting Models
- Monitor and Audit Suppliers Performance Management

#### Actions
- [Monitor] Consistently Tracking Commodities Pricing (Al, Cu, Steel, etc.)
- [Monitor] Conduct Risk Assessment of Key Suppliers
- [Monitor] Ensure Lead Times and Capacity of Key Suppliers
- [Mitigate] Proactive Identification (RFI and RFQ) of New / Key Suppliers
- [Mitigate] Leveraging NYPA’s Competitive Bidding Policies and Processes
- [Transfer] Long Term Fixed Price Contracts and Value Contracts Models w/Material and Labor Indices Escalators
- [Transfer] Contracts with Liquidated Damage Clauses
- [Monitor] Monthly Metrics and KPIs for Key Suppliers / Projects, e.g., Smart Path, Next Generation Niagara
- [Monitor] Quarterly Business Review (QBR) to Review Suppliers Performance
- [Audit] Expediting Services / Deployment of “On-Site Surveillance” Team at Key Suppliers
- [Audit] Increase the Utilization of 3rd Party QA/QC Firms to Perform Factory Assessment, Qualification and Ongoing Suppliers Management
### Cost Impacts

The escalation in material commodities, aluminum, copper and steel in particular in the last 15 months, coupled with the increase in transportation and logistics cost directly correlate to the increase in major equipment cost.

<table>
<thead>
<tr>
<th>Equipment or Commodity</th>
<th>2019 Pricing</th>
<th>2021 Pricing</th>
<th>% Increase</th>
<th>Key Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steel Pole (Deadend/Heavy)</td>
<td>$156,500</td>
<td>$196,700</td>
<td>25.6%</td>
<td>Mainly Due to Metals (Steel) Cost Escalation</td>
</tr>
<tr>
<td>Steel Pole (Tangent/Light)</td>
<td>$85,100</td>
<td>$108,400</td>
<td>27.4%</td>
<td>Mainly Due to Metals (Steel) Cost Escalation</td>
</tr>
<tr>
<td>ACSR 795 Drake Conductor</td>
<td>$1.24/ft</td>
<td>$1.55/ft</td>
<td>26.0%</td>
<td>Aluminum and Transportation Cost Escalation</td>
</tr>
<tr>
<td>240kV Autotransformer</td>
<td>$3,750,000</td>
<td>$4,550,000</td>
<td>21.3%</td>
<td>Metals and Transportation Cost Escalation</td>
</tr>
<tr>
<td>345kV/3000A Breaker</td>
<td>$215,400</td>
<td>$255,000</td>
<td>18.3%</td>
<td>Metals and Labor Cost Escalation</td>
</tr>
<tr>
<td>Steel Plate (US Price Indices)</td>
<td>$.48/lb</td>
<td>$0.87/lb</td>
<td>81.2%</td>
<td>Supply / Demand Imbalance Caused by COVID</td>
</tr>
<tr>
<td>Aluminum (Global Price Indices)</td>
<td>$1.75/lb</td>
<td>$2.50/lb</td>
<td>42.9%</td>
<td>Supply / Demand Imbalance Caused by COVID</td>
</tr>
</tbody>
</table>
Due to COVID-19 shut down in the last 2 years and the current labor shortage, manufacturing lead times of major electrical equipment such as Autotransformers have significantly increased.

<table>
<thead>
<tr>
<th>Equipment or Services</th>
<th>2019 Lead Times</th>
<th>2022/2023 Lead Times</th>
<th>Key Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autotransformers Delivery</td>
<td>52 to 56 Weeks</td>
<td>72 to 80 Weeks</td>
<td>Direct, Subcontractor Labor Availability; Overall Capacity</td>
</tr>
<tr>
<td>Conductors Delivery</td>
<td>24 to 26 Weeks</td>
<td>30 to 32 Weeks</td>
<td>Factory Shut Down, Labor Shortage &amp; Transportation</td>
</tr>
<tr>
<td>RFP Response Time</td>
<td>4 to 5 Weeks</td>
<td>6 to 8 Weeks</td>
<td>Labor Constraints / Slow Return-to-Work Conditions</td>
</tr>
</tbody>
</table>
In 2019, NYPA entered into a contract with SABRE for a term of 4 years to produce Steel Poles for the Moses-Adirondack Smart Path Project. The original award of $79M included a $3.5M for materials, labor and transportation escalation cost. Since then, SSM and PD teams have been working with SABRE to mitigate escalation costs by continuously monitoring the market, timing the production releases based on the design readiness, construction schedule, and steel cost in the market. The strategies and actions taken have mitigated the escalation cost from $3.5M (original forecast) to $1.5M (latest projection).

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Cost (2019)</th>
<th>Escalation (15%)</th>
<th>2019 (Initial Releases)</th>
<th>2020 (Advanced Releases)</th>
<th>2022/2023 (Forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steel Plate (per pound)</td>
<td>$0.48</td>
<td>$0.55</td>
<td>$0.39</td>
<td>$0.27</td>
<td>$0.90</td>
</tr>
<tr>
<td>Steel Coil (per pound)</td>
<td>$0.42</td>
<td>$0.48</td>
<td>$0.27</td>
<td>$0.28</td>
<td>$0.60</td>
</tr>
<tr>
<td>Zinc (per tonne)</td>
<td>$2432</td>
<td>$2797</td>
<td>$2451</td>
<td>$2450</td>
<td>$3650</td>
</tr>
<tr>
<td>Fuel (per gallon)</td>
<td>$3.15</td>
<td>$3.50</td>
<td>$2.83</td>
<td>$2.17</td>
<td>$3.50</td>
</tr>
<tr>
<td>Labor (ECI Index)</td>
<td>$130.8</td>
<td>$140.5</td>
<td>$132.2</td>
<td>$130.2</td>
<td>$145.0</td>
</tr>
<tr>
<td><strong>PO Value (Including Escalation)</strong></td>
<td><strong>$79M</strong></td>
<td><strong>$3.5M</strong></td>
<td><strong>Actual / Revised Escalation (Mitigated)</strong></td>
<td><strong>$2.7M</strong></td>
<td><strong>$1.0M</strong></td>
</tr>
</tbody>
</table>

Despite the significant steel inflation in the last 15 months, the forecasted escalation is $2.0M lower than the projection, credit to consistently monitoring of the market and timing of the production releases accordingly.
P&L Inflation Impact

From a financial perspective, NYPA is neutral to inflationary cost increases.

- The numbers presented represent a change from the Budget, based upon an annual inflation rate of 6% being applied to operating expense (including labor & benefits), fuel prices, and capital costs.
- Market based power sales are assumed to increase commensurate with fuel cost escalation due to the high correlation in prices.
- The results of this analysis depict the net effect over time. In reality, there would be timing differences between the recognition of increased expenses and the corresponding recovery through revenues.
NYPA remains competitive with our upstate supply customers compared to market purchases during a scenario of increased inflationary costs, though our advantage narrows over time. We are in line with the downstate market.
Date: March 18, 2022

To: THE FINANCE AND RISK COMMITTEE

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: High Voltage Circuit Breakers
        On-Call Contract Awards

SUMMARY

The Trustees will be requested at their March 29, 2022, meeting to approve the award of two ten-year equipment contracts for the engineering, design, testing, furnishing, and delivery of High Voltage Circuit Breakers to Hitachi Energy USA, Inc. of Raleigh, North Carolina (“Hitachi Energy”), and Siemens Energy Inc. of Orlando, Florida (“Siemens”) in the aggregate, not-to-exceed amount of $50,000,000. These contracts will support the Authority’s system-wide needs, inclusive of VISION2030 initiatives, assessment, and repair of existing assets as needed.

Interim award in the amount of $1,400,000 to Hitachi Energy USA, Inc. was approved on March 10, 2022 for engineering and design to maintain the schedule for the Smart Path Connect Project (“Project”). Final contract award is subject to Trustee approval at the March 29, 2022, meeting.

Subsequent to the Trustees’ approval, the first Purchase Order Release (“POR”) will be issued from this contract to Hitachi Energy USA, Inc. in the amount of $13,916,400 for the Project.

In addition, approval is requested to grant waiver of Article 22 “STEEL COMPONENTS” of the Authority’s Agreement regarding the purchasing of steel components from Hitachi Energy and Siemens as their current manufacturing locations are outside of the United States.

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

BACKGROUND

Per Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts and Expenditure Authorization Procedures, the award of equipment contracts exceeding $10 million requires Trustee approval.

Several initiatives and projects to develop new and upgrade existing transmission facilities are currently underway or planned over the next ten years. The initiatives include the Smart Path Connect Project, which was approved by the New York State Public Service Commission in October 2020 as a Priority Transmission Project with an in-service date of December 2025.
To further advance the state’s energy goals and VISION2030, additional projects are currently in development and may be identified, awarded, or approved in the future. These projects may include new assets or replacement of existing assets as needed. These Value Contracts allow flexibility for the Authority to retain qualified vendors to design and manufacture new circuit breakers.

The scope of these value contracts and subsequent PORs that are currently under consideration include:

1. The procurement of Circuit Breakers on an as-needed basis to support the Authority’s existing assets as well as future transmission development.
   a. Based on a review of the long-term capital portfolio, including replacements of circuit breaker assets and history with these types of assets, it is anticipated that up to $36 million may be required over the next 10 years. This includes an estimated replacement of 10 to 11 Circuit Breakers per year at an average cost of $330,000 per unit.

2. Ability to procure future inspection and repair/refurbishment services for the Authority’s fleet of circuit breakers across New York State.

3. The purchase of 50 circuit breakers for the Smart Path Connect Project, to be installed at the new Willis, Adirondack, and Haverstock Substations and the Existing Willis, Ryan, Patnode, Moses, Massena, and Marcy Substations. The total value of the POR that will be issued for this work is $13,916,400.

DISCUSSION

Pursuant to the Authority's Procurement Guidelines, the Authority issued a Request for Proposal (“RFP”) No. S21-0772LH which was advertised in the New York State Contract Reporter on October 5, 2021. 14 potential suppliers reviewed the Ariba event of the 22 invited. The RFP requirements included but were not limited to, engineering, design, manufacturing/fabrication, testing, delivery, and installation support of new substation high voltage circuit breakers.

In addition to the standard requirements such as the Bidders’ past performance on safety, financial health, experience, capacity, capabilities, quality management, and pricing, the Bidders were asked to provide certain technical data to demonstrate technical compliance and design excellence. As critical requirements to the Project, the Bidders were requested to provide their manufacturing cycle and delivery durations.

Five bidders attended the pre-bid meeting on October 13, 2021. Two bidders submitted complete proposals by the bid close date of November 16, 2021, while the remaining 12 who reviewed the Ariba event (GE Grid Solutions, Genergy Corp, HasGo Power Equipment Sales, Mader Supply, S&C Electric Corp., Tri M Sales, Electricomm Inc, KT&T Distributors Inc, Wesco Distribution, Power Sales Group Inc, HICO America, and Valve Industries) declined to bid, citing limited capacity and competitive equipment consistent with the Authority’s requirements.

New York State Article 15-A allows state agencies and authorities to reasonably exclude from their Annual MWBE Goal Plan, goods/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 the exclusion for Major Electrical Equipment.
FISCAL INFORMATION

Services under these contracts will be provided on an as-needed basis. Expenditures for these contracts will be paid from the Authority’s Capital or Operating Fund, which may include the proceeds of debt issuance, as appropriate and will be included in the Proposed Four-Year Budget and Finance Plan.

RECOMMENDATION

The Executive Vice President and Chief Financial Officer, the President of NYPA Development, Vice President of Strategic Supply Management, and the Regional Manager of Transmission request that the Finance and Risk Committee recommend that the Trustees approve the award of two ten-year equipment contracts for the engineering, design, testing, furnishing, and delivery of High Voltage Circuit Breakers to Hitachi Energy USA, Inc. of Raleigh, North Carolina, and Siemens Energy Inc. of Orlando, Florida in the aggregate amount of $50,000,000.

Trustees’ approval is being requested to waive the New York Buy America Act requirements regarding the purchase of steel components for these contracts.

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 two, ten-year equipment contracts to Hitachi Energy USA, Inc. of Raleigh, North Carolina, and Siemens Energy Inc. of Orlando, Florida in the aggregate amount of $50,000,000, 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 projects.

<table>
<thead>
<tr>
<th>Contractors</th>
<th>Contract Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hitachi Energy USA, Inc.</td>
<td></td>
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<tr>
<td>Raleigh, NC</td>
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</tr>
<tr>
<td>Siemens Energy, Inc.</td>
<td></td>
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<tr>
<td>Orlando, FL</td>
<td></td>
</tr>
<tr>
<td>RFP # S21-0772LH</td>
<td>$50,000,000</td>
</tr>
</tbody>
</table>
Date: March 18, 2022
To: THE FINANCE AND RISK COMMITTEE
From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER
Subject: Substation Transformers and Shunt Reactors
        On-Call Contract Awards

SUMMARY

The Trustees will be requested at their March 29, 2022, meeting to approve the award of
two ten-year equipment contracts for the engineering, design, testing, furnishing, and delivery of
substation transformers and shunt reactors to Hitachi Energy USA, Inc. (“Hitachi Energy”) of
Cary, North Carolina, and Royal SMIT Transformers BV (“SMIT”) of Nijmegen, Netherlands in
the aggregate, not-to-exceed amount of $110,000,000. These contracts will support the
Authority’s system-wide needs, inclusive of VISION2030 initiatives, assessment, and repair of
existing assets as needed.

Interim awards in the aggregate amount of $5,130,000 were approved for Hitachi Energy
and SMIT on February 18, 2022 and February 7, 2022 respectively, for engineering and design
to maintain the schedule for the Smart Path Connect Project (“Project”). Final contract awards
are subject to Trustee approval at the March 29, 2022, meeting.

Subsequent to the Trustees’ approval, Purchase Order Releases (“POR”) will be issued
from these contracts to Hitachi Energy in the amount of $33,174,137 and SMIT in the amount of
$18,125,863 for the Project, for a total amount of $51.3 million.

In addition, approval is requested to grant waiver of Article 22 “STEEL COMPONENTS”
of the Authority’s Agreement regarding the purchasing of steel components from Hitachi Energy
and SMIT, as their current manufacturing locations are outside of the United States.

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

BACKGROUND

Per Section 2879 of the Public Authorities Law and the Authority’s Guidelines for
Procurement Contracts and Expenditure Authorization Procedures, the award of equipment
contracts exceeding $10 million requires Trustee approval.

Several initiatives and projects to develop new and upgrade existing transmission
facilities are currently underway or planned over the next ten years. The initiatives include the
Smart Path Connect Project, which was approved by the New York State Public Service
Commission in October 2020 as a Priority Transmission Project with an in-service date of
December 2025. The Project is intended to meet the expeditious advancement of the state’s
energy goals and support the Authority’s VISION2030.
To further advance the state’s energy goals and VISION2030, additional projects are currently in development and may be identified, awarded, or approved in the future. These projects may include new assets or replacement of existing assets as needed. These Value Contracts allow flexibility for the Authority to retain qualified vendors to design and manufacture new transformers and shunt reactors.

The scope of these value contracts and subsequent PORs include:

1. Ability to procure transformers and reactors required to support the Authority’s existing assets as well as support for future transmission development projects.
   a. The purchase of 11 transformers and two shunt reactors for the Smart Path Connect Project, to be installed at the new Willis, Adirondack, and Haverstock Substations – Total PORs - $51.3 million.
   b. Based on a review of the long-term capital portfolio, including replacements of assets and history with these types of assets, it is anticipated that up to $58.7 million may be required over the next 10 years. This includes an estimated replacement of one to two transformers per year at an estimated cost of $4 million per unit.

2. Ability to contract inspection and repair/refurbishment services for the Authority’s fleet of transformers and reactors across New York State.

DISCUSSION

Pursuant to the Authority's Procurement Guidelines, the Authority issued a Request for Qualifications No. Q21-7191MR which was advertised in the New York State Contract Reporter on June 21, 2021. Nine Companies ("Suppliers") submitted its qualifications and were evaluated on capacity and experience to manufacture and deliver high voltage bulk electrical transmission autotransformers and shunt reactors. The nine Suppliers: Efacec Energia, HICO America Sales & Technology, Inc., Hitachi Energy USA Inc., Hyundai Electric America Corporation, Jiangsu Huapeng Transformer Co., LTD, Pennsylvania Transformer Technology, Inc, Royal SMIT Transformers BV, Siemens Industry Inc., and Toshiba International Corporation, were deemed qualified and recommended for issuance of Requests for Proposal ("RFP").

On September 21, 2021, the Authority issued RFP No. Q21-7227AP to the Suppliers, all of whom reviewed the Ariba event. The RFP requirements included but were not limited to, engineering, design, manufacturing/fabrication, testing, delivery, and installation support of new substation transformers and shunt reactors and the requirements necessary to perform the assessment/inspection, refurbishment/repair, and testing of the Authority’s existing equipment.

In addition to the standard requirements such as the Suppliers’ past performance on safety, financial health, experience, capacity, capabilities, quality management, and pricing, the Suppliers were asked to provide certain technical data to demonstrate technical compliance, design excellence, and core losses. As critical requirements to the Project, the Bidders were requested to provide their manufacturing cycle and delivery durations.

All nine Suppliers attended the pre-bid meeting on October 1, 2021. Six Suppliers submitted complete proposals on October 29, 2021, while the remaining three, (Efacec Energia, Toshiba International Corporation, and Siemens Industry Inc.) declined to bid citing limited capacity.

After an extensive evaluation, Hitachi Energy and SMIT are recommended for award. The other suppliers: HICO, Hyundai, and PTTI may be recommended for a contract award at a
later date pending their ability to meet the Authority’s Bulk Electric System (“BES”) requirements.

New York State Article 15-A allows state agencies and authorities to reasonably exclude from their Annual MWBE Goal Plan, goods/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 the exclusion for Major Electrical Equipment.

FISCAL INFORMATION

Services under these contracts will be provided on an as-needed basis. Expenditures for these contracts will be paid from the Authority’s Capital or Operating Fund, which may include the proceeds of debt issuance, as appropriate and will be included in the Proposed Four-Year Budget and Finance Plan.

RECOMMENDATION

The Executive Vice President and Chief Financial Officer, the President of NYPA Development, Vice President of Strategic Supply Management, and the Regional Manager of Transmission request that the Finance and Risk Committee recommend that the Trustees approve the award of two ten-year equipment contracts for the engineering, design, testing, furnishing, and delivery of substation transformers and reactors to Hitachi Energy USA, Inc. of Cary, North Carolina, and Royal SMIT Transformers BV of Nijmegen, Netherlands in the aggregate amount of $110,000,000.

Trustees’ approval is being requested to waive the New York Buy America Act requirements regarding the purchase of steel components for Hitachi Energy and SMIT.

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 two, ten-year equipment contracts to Hitachi Energy USA, Inc. of Cary, North Carolina, and Royal SMIT Transformers BV of Nijmegen, Netherlands in the aggregate amount of $110,000,000, as recommended in the foregoing memorandum of the Interim President and Chief Executive Officer;

RESOLVED, That the Authority will use Capital or Operating Funds, which may include proceeds of debt issuances, to finance the costs of the projects.

<table>
<thead>
<tr>
<th>Contractors</th>
<th>Contract Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hitachi Energy USA, Inc.</td>
<td>$110,000,000</td>
</tr>
<tr>
<td>Cary, NC</td>
<td></td>
</tr>
<tr>
<td>Royal SMIT Transformers BV.</td>
<td></td>
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<tr>
<td>Nijmegen, Netherlands</td>
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</tr>
<tr>
<td>RFP # Q21-7227AP</td>
<td></td>
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</tbody>
</table>
Date: March 18, 2022

To: THE FINANCE AND RISK COMMITTEE

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: St. Lawrence Power Project
Replacement of Robert Moses Power Dam Autotransformer 1
Capital Expenditure Authorization Request

SUMMARY

The Trustees will be requested at their March 29, 2022, meeting to approve capital expenditures in the amount of $13.044 million, for the Replacement of Robert Moses Power Dam (“RMPD”) Autotransformer 1 Project (“Project”).

Capital Expenditures in the amount of $600,000 for project planning, preliminary engineering, and design of the transformer, were previously approved on January 2, 2022, bringing the total estimated Project cost to $13.644 million.

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

BACKGROUND

In accordance with the Authority’s Capital Planning and Budgeting Procedures, capital expenditures more than $10 million, require Trustee approval.

These capital expenditures will cover the cost of an expedited and direct replacement of the existing Autotransformer 1, and the improvements to the underground infrastructure for compliance with the latest environmental regulations and permits.

A recently completed investigation of the transformer detected high levels of combustible gases in the oil samples taken, and the recommendation was to remove the transformer from service for additional testing. High levels of dissolved gases are a normal predictor of potential failure of the transformer.

DISCUSSION

The transformer, manufactured by ASEA, had been in operation since 1976 and is considered beyond its useful life. The average life of a transformer of similar rating, ranges from 30-35 years.

The additional tests performed on the transformer pointed to the strong likelihood that the transformer tertiary windings have sustained internal damage and were suspected to be the source of the gassing.

With the unavailability of Autotransformer 2 due to a prior failure, a concurrent failure of Autotransformer 1 will leave RMPD with a single failure transformer away from derating RMPD to half its rated power output which, operationally, is highly detrimental to the Authority.
Given the transformer age, the imminent failure of the transformer, the operational impact of a concurrent unavailability of Autotransformers 1 and 2, it is recommended to expeditiously replace Autotransformer 1.

As part of this project, and after Autotransformer 2 has been replaced and returned to service (which is currently ongoing under a separate project), the existing Autotransformer 1 will be dismantled, transported offsite for disposal in an Authority-approved disposal facility. The existing foundation, structures, and oil containment will also be evaluated for upgrades required to meet current regulatory codes and environmental permit requirements.

Project execution is planned to occur over a 2-year period. A Limited Notice to Proceed was issued to the transformer manufacturer for the immediate start of engineering and design to maintain an expedited production and delivery of the transformer. Following Trustee approval of these capital expenditures, a full contract award will be issued. The detailed design will be completed in 2022, with delivery, assembly, testing and commissioning of the new transformer planned for completion in 2023, subject to approved outages.

FISCAL INFORMATION

Costs associated with this Project were not included in the approved budget for 2022 due to the above-mentioned critical issues with the transformer, being discovered after the 2022 budget cycle had concluded. The Authority’s Four-Year Capital Plan will be updated to include the full cost of this project.

Payment associated with this Project will be made from the Authority’s Capital Fund and will be recovered under the Authority’s FERC approved formula rate.

RECOMMENDATION

The Executive Vice President and Chief Financial Officer and the Regional Manager of Transmission, request that the Finance and Risk Committee recommend that the Trustees approve capital expenditures in the amount of $13.044 million for the Replacement of the Robert Moses Power Dam Autotransformer 1 Project.

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, pursuant to the Authority’s Capital Planning and Budgeting Procedures, approve capital expenditures in the amount of $13,044,000 for the Replacement of the Robert Moses Power Dam Autotransformer 1 Project, in accordance with, and as recommended in, the foregoing memorandum of 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 of this project.

<table>
<thead>
<tr>
<th>Capital</th>
<th>Expenditure Authorization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Replacement of St. Lawrence RMPD Autotransformer 1</td>
<td>$13,044,000</td>
</tr>
</tbody>
</table>
Memorandum

Date: March 18, 2022
To: THE FINANCE AND RISK COMMITTEE
From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER
Subject: Architecture and Engineering Design Contracts
Recommendation for Award

SUMMARY

The Trustees will be requested at their March 29, 2022, meeting to approve the award of twelve (12) competitively bid personal services contracts, in the aggregate amount of $20,000,000 for a term of up to five (5) years. These contracts will support the VISION2030 goals for the Reimagine the Canals (“RTC”) initiative for providing Architecture, Landscape Architecture, Planning, Bridge Design, and Lighting Design services on projects across the Canals. The twelve recommended suppliers are:

- BKSK Architects LLP “BKSK”; New York, NY
- Cooper Robertson; New York, NY
- Interboro Partners LLC “Interboro”; Brooklyn, NY (WBE)
- OSD Outside LLC “OSD”; Brooklyn, NY
- Office for Visual Interaction, Inc. “OVI”; New York, NY (WBE)
- SBP Engineering PC “SBP”; New York, NY
- Starr Whitehouse Landscape Architects and Planners “Starr Whitehouse”; New York, NY
- SHoP Architects LLP “SHoP”; New York, NY
- Studio V Design & Planning “Studio V”; New York, NY (MBE/WBE)
- Wallace Roberts & Todd, LLC “WRT”; Philadelphia, PA
- Claire Weisz Architects (dba WXY Architecture + Urban Design) “WXY”; New York, NY (WBE)

Interim approval in the amount of $250,000 was approved on March 1, 2022, to allow mini-bids to be issued to maintain the overall RTC program schedule. Final contract awards are subject to Trustee approval at the March 29, 2022, meeting.

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

BACKGROUND

Per Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts and Expenditure Authorization Procedures, the award of personal services contracts exceeding $10 million requires Trustee approval.
The RTC program was initiated in January of 2020 beginning with the Governor’s announcement of a new vision for the Canal system as a destination for tourism and recreation, in light of its increasingly minimal use for industrial shipping. Since that initial announcement, a number of projects have been awarded for design and engineering services. For example, Brockport Pedestrian Bridge, Little Falls Connector, Guy Park Manor and Cayuga Watercourse per the issuance of New York State Canal Corporation and/or New York Power Authority contracts. It was determined that it would be beneficial for the RTC program to issue value contracts to retain the most technically qualified teams and maximize efficiency in procurement.

DISCUSSION

Pursuant to the Authority’s Procurement Guidelines, the Authority issued a Request for Qualifications (“RFQ”) No. Q21-7232NF for the Reimagine the Canals Statewide Design Services which was advertised in the New York State Contract Reporter on September 20, 2021 to solicit information from qualified suppliers, enabling the Authority to evaluate the capabilities and capacity of each supplier. One Hundred Thirty-Two (132) suppliers were listed as having been invited to or requested to participate in the Ariba Event. Fifty-seven (57) suppliers submitted qualifications in response to the RFQ. The Evaluation Committee evaluated the responses and short-listed thirteen (13) suppliers for issuance of a subsequent Request for Proposal (“RFP”).

The Authority issued RFP No. Q21-7232NF on January 28, 2022 via Ariba to the thirteen (13) qualified suppliers. In response to the Authority’s RFP, twelve (12) proposals were received and evaluated, as further set forth in the Award Recommendation documents. Snohetta declined to submit a proposal.

FISCAL INFORMATION

Funding for the Purchase Order Releases to support the Reimagine the Canals program will be made from the Authority’s Capital Fund.

RECOMMENDATION

The Executive Vice President and Chief Operating Officer and the Vice President, Reimagine the Canals requests that the Finance and Risk Committee recommends that the Trustees approve the award of twelve (12) Value Contracts for Architecture and Engineering Design Services in the aggregate amount of $20,000,000 to BKS, COOPER ROBERTSON, FISHER ASSOCIATES, INTERBORO, OSD, OVI, SBP, STARR WHITEHOUSE, SHoP, STUDIO V, WRT, and WXY for a term up to five (5) years.

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 authorize the Interim President and Chief Executive Officer, the Chief Operating Officer, and officers designated by the Interim President and Chief Executive Officer to execute agreements and other documents between the Authority, and the following firms;

- BKSK Architects LLP “BKSK”; New York, NY
- Cooper Robertson; New York, NY
- Interboro Partners LLC “Interboro”; Brooklyn, NY (WBE)
- OSD Outside LLC “OSD”; Brooklyn, NY
- Office for Visual Interaction, Inc. “OVI”; New York, NY (WBE)
- SBP Engineering PC “SBP”; New York, NY
- Starr Whitehouse Landscape Architects and Planners “Starr Whitehouse”; New York, NY
- SHoP Architects LLP “SHoP”; New York, NY
- Studio V Design & Planning “Studio V”; New York, NY (MBE/WBE)
- Wallace Roberts & Todd, LLC “WRT”; Philadelphia, PA
- Claire Weisz Architects (dba WXY Architecture + Urban Design) “WXY”; New York, NY (WBE)

Such agreements having such terms and conditions as the executing officer may approve, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel, to facilitate the performance of Design Services in support of the Reimagine the Canals Program in alignment with the Authority’s VISION2030 strategy.
Date: March 18, 2022

To: THE FINANCE AND RISK COMMITTEE

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Disconnect Switches – On-Call Contract
Request for Waiver to Article 22 “STEEL COMPONENTS”

SUMMARY

The Trustees will be requested at their March 29, 2022, meeting to waive the requirements of Agreement Article 22 “STEEL COMPONENTS” providing for the purchase of steel components produced in whole or substantial part in the United States in compliance with Public Authorities Law §2603-a for the procurement of manual and motor operated disconnect switches. This requested waiver is required to award a value contract to GE Grid Solutions, LLC, for the purchase of manual and motor-operated disconnect switches.

The furnishing and delivery of the disconnect switches are in support of the Authority's system-wide needs, including the Smart Path Connect Project (“SPC”), Transmission Life Extension Modernization (“TLEM”) and VISION2030 initiatives.

BACKGROUND

Several initiatives and projects to develop new transmission and/or upgrade existing transmission assets are currently underway and/or planned during the next ten years. Currently, the initiatives include but are not limited to TLEM, SPC, and additional projects supporting the Authority’s VISION2030. These projects will require new assets or the replacement of existing assets including the supply of manual and motor-operated disconnect switches with various voltage requirements, operator types, and ratings.

DISCUSSION

Pursuant to the Authority's Procurement Guidelines, the Authority issued Request for Proposal (“RFP”) No. Q21-7238JM, via Ariba e-sourcing which was advertised in the New York State Contract Reporter on November 1, 2021. Eighteen firms requested and/or were invited to participate in the Ariba event. Four bids were received electronically from GE Grid Solutions, LLC, Southern States, LLC, Cleaveland/Price Inc. and Hitachi Energy USA Inc. The RFP requirements included but was not limited to, engineering, design, manufacturing, fabrication, testing, delivery, and technical support of new manual and motor operated disconnect switches.

Southern States, LLC was compliant with the Terms and Conditions and did not take exception to Article 22. GE Grid Solutions, LLC, and Hitachi Energy USA took exception to Article 22 “STEEL COMPONENTS” as both suppliers indicated they were unable to comply. At this time, GE Grid Solutions is recommended for award with the requested waiver. Hitachi Energy USA and Cleaveland/Price Inc. may be recommended for a contract award at a later date pending the ability to meet the Authority’s requirements and resolve other remaining terms and conditions.
As a result of this RFP and upon successful negotiations and quality assurance assessments, the Authority, in accordance with its Expenditure Authorization Procedures (EAPs) is intending on awarding two Value Contracts for a ten-year term in the aggregate amount of $9 million, pending approval of the steel waiver.

FISCAL INFORMATION

Services under this contract will be provided on an as-needed basis. Expenditures for these contracts will be paid from the Authority’s Capital or Operating Fund, which may include the proceeds of debt issuance, as appropriate and will be included in the Proposed Four-Year Budget and Finance Plan.

RECOMMENDATION

The Executive Vice President and Chief Financial Officer, the President of NYPA Development, Vice President of Strategic Supply Management, and the Regional Manager of Transmission request that the Finance and Risk Committee recommend that the Trustees approve the waiver of the requirement of the Authority's Agreement Article 22 "STEEL COMPONENTS" for the procurement of manual and motor operated Disconnect Switches. This requested waiver is required to award a value contract to GE Grid Solutions, LLC, for the purchase of manual and motor-operated disconnect switches.

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 waiver of the Authority's Agreement Article 22 "STEEL COMPONENTS" that the purchasing of steel be produced or made in whole or substantial part in the United States or its territories or possessions, in compliance with Public Authorities Law §2603-a for manual and motor-operated disconnect switches, as recommended in the foregoing memorandum of the Interim President and Chief Executive Officer;

RESOLVED, That the Authority will use Capital or Operating Funds, which may include proceeds of debt issuances, to finance the costs of the projects.

Contractor

GE Grid Solutions, LLC
Atlanta, GA

RFP # Q21-7238JM
Date: March 18, 2022

To: THE FINANCE AND RISK COMMITTEE

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Overhead Conductor and Overhead Ground Wire On-Call Contract Award

SUMMARY

The Trustees will be requested at their March 29, 2022, meeting to approve the award of a ten-year equipment contract for the furnishing, and delivery of transmission Conductor and Overhead Ground Wire (“OHGW”) to Midal Cables, Ltd. of Askar, Bahrain (“Midal”), in the not-to-exceed amount of $20,000,000. The contract will also support the Authority’s system-wide needs, inclusive of VISION2030 initiatives.

In addition, approval is requested to grant waiver of Article 22 “STEEL COMPONENTS” of the Authority’s Agreement regarding the purchasing of steel components for Midal on the basis that they are the lowest bidder which would result in significant cost savings to the Authority.

Subsequent to the Trustees’ approval, the first Purchase Order Release (“POR”) will be issued from this contract to Midal, Inc. in the amount of $9,387,435 for the Smart Path Connect Project (“Project”).

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

BACKGROUND

Per Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts and Expenditure Authorization Procedures, the award of equipment contracts exceeding $10 million requires Trustee approval.

Several initiatives and projects to develop new and upgrade existing transmission facilities are currently underway or planned over the next ten years. The initiatives include the Smart Path Connect Project, which was approved by the New York State Public Service Commission in October 2020 as a Priority Transmission Project with an in-service date of December 2025. The Project is intended to meet the expeditious advancement of the state’s energy goals and support the Authority’s VISION2030. The Project is a result of the NYS Accelerated Renewable Energy Growth and Community Benefit Act, which dramatically speeds up the siting and construction of major renewable energy projects to combat climate change and can help jumpstart the state’s economic recovery from the COVID-19 pandemic.

To further advance the state’s energy goals and VISION2030, additional projects are currently in development and may be identified, awarded, or approved in the future. These projects may include new assets or replacement of existing assets as needed.
The scope of this Value Contract and subsequent POR includes:

1. Ability to procure transmission Conductor and OHGW required to support the Authority’s existing assets and support for future transmission development projects.
   a. The purchase of transmission conductor and overhead ground wire for the Smart Path Connect Project, to be installed on the Haverstock-Willis and Willis-Ryan-Patnode transmission lines – Total POR - $9,387,435.
   b. The procurement of additional conductor and OHGW on an as-needed basis to support the Authority’s existing assets as well as future transmission development. The Authority has over 1,400 miles of transmission circuits that are currently maintained and could potentially see capacity upgrades or replacement in the coming years. This Contract includes an estimated replacement of 400 miles of conductor for transmission maintenance or upgrades.

DISCUSSION

Pursuant to Section § 2879 of Public Authority’s Law (PAL), the Authority issued Request for Proposal (“RFP”) No. Q22-7272AP for Transmission Line Conductors and OHGW via Ariba e-sourcing which was advertised in the New York State Contract Reporter on January 25, 2022. Thirteen (13) suppliers were listed as having been invited to or requested to participate in the Ariba Event. On February 21, 2022, four (4) proposals were received electronically via Ariba from American Wire Group (“AWG”), Anixter Inc. (“Anixter”), Midal Cables, Ltd. (“Midal”), and MVA Power Inc. (“MVA”).

In addition to the standard requirements such as the bidders’ past performance on safety, financial health, experience, capacity, capabilities, quality management, and pricing, the bidders were asked to provide certain technical data to demonstrate technical compliance and design excellence. As critical requirements to the Project, the Bidders were requested to provide their manufacturing cycle and delivery durations.

The proposals were evaluated based on relevant criteria, including meeting technical specifications; quality assurance and control requirements; pricing; and whether the bidder took exceptions to the Authority’s contract terms and conditions.

Midal was found to be the most competitive-priced, technically-qualified supplier. Midal took few exceptions to the commercial terms and conditions which have been negotiated and mutually agreed upon.

Approval is requested to waive the requirements of the Public Authorities Law Section 2603 (Act) to award this contract to Midal. Anixter, the only other qualified supplier that did not take exception to the New York Buy American Act, was 55% higher in price than Midal.

New York State Article 15-A allows state agencies and authorities to reasonably exclude from their Annual MWBE Goal Plan, goods/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 the exclusion for Major Electrical Equipment.

FISCAL INFORMATION

Services under these contracts will be provided on an as-needed basis. Expenditures for these contracts will be paid from the Authority’s Capital or Operating Fund, which may include
the proceeds of debt issuance, as appropriate and will be included in the Proposed Four-Year Budget and Finance Plan.

RECOMMENDATION

The Executive Vice President and Chief Financial Officer, the President of NYPA Development, Vice President of Strategic Supply Management, and the Regional Manager of Transmission request that the Finance and Risk Committee recommend that the Trustees approve the award of a ten-year equipment contract for the furnishing, and delivery of transmission Conductor and OHGW to Midal Cables, Ltd. of Askar, Bahrain, in the amount of $20,000,000.

Trustee approval is requested to waive the requirements of the Public Authorities Law Section 2603-a regarding the purchase of steel components for Midal on the basis that they are the lowest bidder which would result in significant cost savings to the Authority.

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 ten-year equipment contract to Midal Cables, Ltd. of Askar, Bahrain in the amount of $20,000,000, 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 projects.

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<th>Contractor</th>
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<tr>
<td>Midal Cables, Ltd.</td>
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MINUTES OF THE JOINT MEETING
OF THE FINANCE and RISK COMMITTEE
January 12, 2022

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<td>Contract Award</td>
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<tr>
<td>Resolution</td>
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</tbody>
</table>
b. Strategic Supply Management  
   i. Beechcraft King Air B350 - Transfer of Ownership to New York State Police Resolution  

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

6. Next Meeting  

7. Closing
Minutes of the joint meeting of the New York Power Authority and Canal Corporation’s Finance and Risk Committee held via videoconference at approximately 8:30 a.m.

Members of the Finance Committee present were:

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

Also in attendance were:

Justin E. Driscoll  Interim President and Chief Executive Officer
Philip Toia  President – NYPA Development
Lori Alesio  Interim Executive Vice President and General Counsel
Adam Barsky  Executive Vice President and Chief Financial Officer
Joseph Kessler  Executive Vice President and Chief Operating Officer
Kristine Pizzo  Executive Vice President and Chief Human Resources & Administrative Officer
Sarah Salati  Executive Vice President and Chief Commercial Officer
Daniella Piper  Regional Manager and CTO
Patricia Lombardi  Senior Vice President – Project Delivery
Yves Noel  Senior Vice President and Chief Strategy Officer
Robert Piascik  Senior Vice President and Chief Information & Technology Officer
Scott Tetenman  Senior Vice President – Finance
Karen Delince  Vice President and Corporate Secretary
Adrienne Lotto Walker  Vice President and Chief Risk & Resilience Officer
Andrew Boulais  Vice President – Project & Construction Management
John Canale  Vice President – Strategic Supply Management
Shirley Marine  Vice President – Enterprise Shared Services
Thakur Sundeep  Controller
Javier Bucobo  Assistant General Counsel – Power Transmission & Regulatory
James Levine  Assistant General Counsel – Finance and Bonds
Earl Faunlagui  Senior Director – Market & Commodities Risk
Fernando Granitto  Senior Director – Power Trading
Bryan Chan  Director – Market Analysis & Hedging
Carley Hume  Chief of Staff – President’s Office
Christopher Vitale  Finance Performance & Reporting Manager
Mary Cahill  Manager – Executive Office
Lorna Johnson  Senior Associate Corporate Secretary
Sheila Quatrocci  Associate Corporate Secretary
Andrea Kelli Higgs  Associate Corporate Secretary
Michele Stockwell  Project Coordinator – Executive Office

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

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

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

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

Conflicts of Interest

Chairperson McKibben and members Koelmel, Nicandri, Picente, Trainor and Gonzalez declared no conflicts of interest based on the list of entities previously provided for their review. Member Balboni declared a conflict of interest as it relates to Deloitte & Touche, item #5a i.

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 John Koelmel and seconded by member Eugene Nicandri, the members conducted an executive session.

3. Motion to Resume Motion in Open Session

“I move that the meeting resume in open session.” On motion made by member Michael Balboni 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, Vice President and Chief Risk & Resilience Officer, provided an update on, and requested the committee's recommendation to the full board for the approval of the Risk Appetite Statement. She also provided an update on the Risk and Resilience Maturity Roadmap and the 2022 Merchant Gross Margin Multi-Year Hedging Strategy.

Risk Appetite Statement
The Risk Appetite Statement was developed to memorialize NYPA and Canals’ willingness to take on risks and seek new opportunities. The members provided feedback and suggested separating the DEI and ESG categories; consider increasing willingness to take on risks as well as understanding the reward and trade-off; review reputational risks and, in alignment with VISION2030, re-examine strategic risks. Changes were made to the Risk Appetite Statement, accordingly.

Key Risk Indicators were created relative to the Risk Appetite Statement to ensure transparency into the risk appetite categories which are specifically tailored to NYPA and Canals, and which were vetted with each of the Business Unit owners.

Risk Maturity Roadmap
In November, the members were provided the results of a benchmarking that was done to ascertain and understand the level of maturity that exists within NYPA and Canals in terms of the risk management program.

NYPA scored slightly below the industry benchmark. The key areas where the organization needed to advance on maturity are integration with strategy; enhancing governance; ensuring that it has robust risk management processes such as risk escalation pathways and improving its culture; and ensuring regulatory compliance.

NYPA’s Path to Maturity
NYPA undertook tasks to ensure that not only did the organization meet industry benchmark but exceeded it. The Risk & Resilience department, working across the Business Units, plans not only to meet that industry benchmark but exceed it.

2022 Merchant Gross Margin Multi-Year Hedging Strategy
Ms. Lotto said that in 2020, the Board approved a shift in the portfolio management approach from an asset optimization or revenue maximization to a volumetric hedging strategy. The purpose of that volumetric hedging strategy is to mitigate the Authority’s downside risks if prices start declining. This will enable the Authority to decrease its volatility and achieve its annual budget targets.

Hedging Program
Mr. Bryan Chan, Director of Market Analysis & Hedging, provided an update on the hedging program, which includes NYPA’s successes in the past year, as well as reiterating the continuing strategy going into 2022 and forward.

- Hedging Strategy is successfully reducing Merchant Risk
The Hedging Program is a tool utilized to mitigate the market volatility of the energy commodities market. NYPA is looking to manage the downside risk of exposure on the price volatility with its multi-year hedging strategy designed to layer hedges over a period of time, similar to the “dollar-cost averaging
strategy. NYPA is financially protecting the merchant portfolio at regular intervals, regardless of price, to line up to the NYPA budget-setting process.

Forecast and market conditions change on a regular basis; however, the guiding principle behind the program is risk reduction for the merchant gross margin revenues and, therefore, add a stability to the NYPA budget as a whole.

- Trading Activity and Risk Reduction
  In 2019, NYPA did have a fairly naked merchant portfolio in terms of hedging. However, in 2020, a new hedging program was initiated.

In 2021, NYPA had its first year of a normalized budget where the portfolio is set up for regular hedging.

For 2022, NYPA is showing a downside risk exposure about $50 million. If the hedges were taken out, the risk exposure would be about $106 million; so, there is a risk reduction of about $56 million in totality.

2023 risk exposure will be similar to 2022, because, by design the Authority is layering the hedges over the course of time.

Strategy to remain consistent moving into 2022
NYPA plans to continue its strategy from 2021 to 2022, in terms of the hedging targets that was set for the organization.

The team plans to accelerate achieving those targets by the end of August so that they can line up their goals to when the Finance department sets their budget for NYPA. This will be a very beneficial step in ensuring more stability for the budget-setting process.

In closing, Mr. Chan reaffirmed the fundamental successes and the continuation of the ongoing improvements in the hedging program and strategy. On December 21, the Executive Risk & Resilience Management Committee unanimously approved the continuation of the hedging strategy in 2022.

Governance
Mr. Earl Faunlagui, Senior Director of Market & Commodities Risk, provided an overview of the governance portfolio. He said that the Trustees authorized the Executive Risk and Resilience Committee to provide oversight on the energy and non-energy commodity hedge programs. He will discuss the governance surrounding these programs.

Policy & Procedures – Policies and procedures are in place so that each group has identified specific roles and responsibilities to ensure that there is segregation of duties when performing hedging activities and its supporting functions.

Strategy & Hedge Instrument Authorization – the allowable strategies and instruments are defined, specifically to state that the portfolio be of a non-speculative nature, in that any hedges in place would be intended to mitigate any price exposures.

Transaction Limits – thresholds are set to govern activities, such as transaction limits, so that the volumes that each trader engages in, i.e., how far in the future they are engaging, is limited based on their hierarchy within the organization and also for awareness.

Monitoring and Reporting
The team monitors and report on portfolios on a daily basis to ensure that the activities that the Commercial Operations team is performing is in conformance with the approved strategies of the Executive Risk and Resilience Management Committee.
The team monitors the valuation of the market in terms of the energy that is in NYPA’s portfolio and market conditions and provides valuations to the NYPA management team. The team reports potential price movements using statistical analysis. This helps the group to identify evolving market risks, e.g., an increased risk to natural gas due to weather or to energy prices because of constraints in the market. The team also reviews executed trades for adherence to the approved strategy.

The team also performs hedge effectiveness testing every quarter and report the results to the Controller’s office to independently demonstrate that these hedges are indeed mitigating the price exposure.

Models are used to inform decisions, and, as part of their role, the team monitors model inputs and have continual discussions with the Commercial Operations team to ensure that the model is reflecting market conditions as best as possible to have an informed tool to guide further business decisions.

Most importantly, as part of this program, there are continuous communications between the teams and they have an escalation path to the Chief Risk and Resiliency Officer, the Chief Financial Officer, and also the Trustees, in order to report any activities for transparency.

In closing, Mr. Faunlagui said that with the strategy being reaffirmed, the team is confident that this is the right path, that it is mitigating price volatility and is able to bring greater price certainty to NYPA’s merchant revenue portfolio.

ii. **Issuance of Bond and Funding for Separately Financed Projects**

Mr. Adam Barsky, Executive Vice President and Chief Financial Officer, provided highlights of the issuance of Bond and Funding for Separately Financed Projects. He said that at the December meeting, the members approved a separate credit for certain priority transmission projects that have certain FERC Orders and cost recovery mechanisms in place. The members also approved $300 million for the Central East Energy Connect project. The rating agencies affirmed NYPA’s views in terms of the separateness of the financing by NYPA and that NYPA’s credit is strong and can stand on its own.

He continued that, given the Authority’s financing needs, as well as its efforts to optimize efficiency around its issuances, staff is requesting that the Finance and Risk Committee recommend to the full Board of Trustees the inclusion of the Smart Path Project, which has already been approved and has all the FERC Orders in place, to the first financing, up to $500 million, for a term not to exceed 40 years, interest rate not to exceed five percent; as well as release $65 million from the Trust Estate in order to represent NYPA’s equity in that project, and allow NYPA to move forward with financing that will be achieved by the end of the first quarter.

1. **Proposed Issuance of Transmission Project Revenue Bonds**

On motion made by member Dennis Trainor and seconded by member John Koelmel, 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 Interim President and Chief Executive Officer, 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 Additional Funds in Support of Separately Financed Projects

On motion made by member Dennis Trainor and seconded by member John Koelmel, 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 $65 million in funding to support Separately Financed Projects of the Authority, as discussed in the report of the Interim 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 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 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 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. 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.
b. Utility Operations

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

Mr. Andrew Boulais, Vice President of Project and Construction Management, provided highlights of staff’s recommendation to the members.

On motion made by member John Koelmel 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 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 report of 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 of the Smart Path Connect Project.

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<th>Contractor</th>
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<tr>
<td>Sabre Industries, Inc.</td>
<td>$91,518,671</td>
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<td>Alvarado, TX</td>
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<td>RFP # Q21-7236MH</td>
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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.

ii. Y49 Transmission Line – Nassau Segment Reconductoring – Recommendation for Contract Award

Mr. Andrew Boulais, Vice President of Project and Construction Management, provided highlights of staff’s recommendation to the members.

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 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 report of 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 of the Y49 Nassau Segment Reconductoring project.

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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.

5. CONSENT AGENDA:

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

a. Enterprise Risk & Resilience

i. Enterprise Risk and Resilience Consulting Services – Recommendation for 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 approve the award of Enterprise Risk and Resilience Consulting Services contracts 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), and authorization for $10 million over 5 years; 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 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.

b. Strategic Supply Management

i. Beechcraft King Air B350 Transfer of Ownership to the New York State Police

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 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 report 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.

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

On motion made and seconded the Minutes of the New York Power Authority’s and Canal Corporation’s Finance Committee held on November 16, 2021 were unanimously adopted.

6. Next Meeting

Chairperson Tracy McKibben said that the next regular meeting of the Finance and Risk Committee will be held on March 18, 2022.

Closing

On motion made by member Dennis Trainor and seconded by member Anthony Picente, Jr., the meeting was adjourned by Chairperson McKibben at approximately 10:43 a.m.

Karen Delince
Karen Delince
Corporate Secretary
Next Meeting

The next regular meeting of the Joint Finance & Risk Committee will be held on Tuesday, April 26, 2022.