1. Adoption of the July 14, 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
      ii. Chief Financial Officer Report – (Adam Barsky)

   b. Strategy and Corporate Development
      i. VISION2030 Foundational Pillar Update – Environmental, Social and Governance – (Kerry-Jane King)

   c. Utility Operations
      i. Smart Path Connect Substation Construction Contract Award– (Andrew Boulais)
      ii. Next Generation Niagara Program – Mechanical and Electrical Upgrades Project – Isolated Phase Bus Replacement – Contract Award – (Andrew Boulais)
      iii. Next Generation Niagara Program – 630T Crane Replacement – Contract Award and Capital Expenditure Authorization Request – (Andrew Boulais)
      iv. Energy Efficiency – Cold Climate Window Heat Pump – Contract Award and Steel Waiver Request – (Maribel Cruz-Brown, David Work)

5. CONSENT AGENDA:
   a. Strategic Supply Management
      i. Guidelines for Compliance with Public Authorities Law § 2603-a Letting of Certain Contracts Involving Steel Projects – (John Canale)

   b. Utility Operations
      i. E-Mobility Technology & Engineering – Transportation Program Consulting – Services Award Expansion – (John Markowitz)
ii. Steel Waiver Request – Runner Band Drain Valves – (George Fetchko)

c. Approval of the Joint Meeting Minutes held on April 26, 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).
July 14, 2022

Motion to Resume Meeting in Open Session

I move to resume the meeting in Open Session.
Chief Risk & Resilience Officer Report – 2022 NYPA and Canals Enterprise Risk Assessment Summary

Adrienne Lotto-Walker
Chief Risk & Resilience Officer

July 14, 2022
NYPA: Notable Changes in our Residual Risk Profile

While all enterprise risks have identified and implemented controls and mitigation strategies, external events have caused a rise in risk exposure to NYPA for several enterprise risks.

<table>
<thead>
<tr>
<th>Key Drivers of Inherent Risk</th>
<th>Enterprise Risk</th>
<th>Key Controls and Mitigation Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Competitive and flexible market</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Demand for certain skilled workers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Workload demand</td>
<td>Attract, Develop, and Retain a Diverse Qualified Workforce</td>
<td>• Enterprise Career Pathing -pipeline and development</td>
</tr>
<tr>
<td></td>
<td>Commodity Market Price Volatility</td>
<td>• Employee engagement initiatives VISION2030/Values</td>
</tr>
<tr>
<td>• Executive Orders (e.g., EO16)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Climate change and renewables regulations (e.g., CLCPA)</td>
<td>Regulatory/Legislative Environment</td>
<td>• Succession planning program</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Workforce flexibility</td>
</tr>
<tr>
<td>• Global political uncertainties</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Inflation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Changing customer expectations</td>
<td></td>
<td>• Volumetric hedging for energy and capacity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Structured customer contracts</td>
</tr>
</tbody>
</table>
NYPA: Notable Changes in our Residual Risk Profile (continued)

**Key Drivers of Inherent Risk**
- Global political uncertainties
- Partnerships and joint ventures
- Reliance on third parties

**Key Controls and Mitigation Strategies**
- Focus on local/domestic vendor sourcing
- Key performance indicator monitoring for strategic third parties
- Cross-functional TPRM Working Group

**Enterprise Risk**

- Inflation and cost containment
- Deployment of wind and solar
- Commodity markets price escalation
- Portfolio diversification (transmission projects)
- Volumetric hedging for energy and capacity
- Pass through cost contracts

**Third Party Risk**
- Global political uncertainties
- Partnerships and joint ventures
- Reliance on third parties
- Focus on local/domestic vendor sourcing
- Key performance indicator monitoring for strategic third parties
- Cross-functional TPRM Working Group

**Sustained Margin Reduction**
- Inflation and cost containment
- Deployment of wind and solar
- Commodity markets price escalation
- Portfolio diversification (transmission projects)
- Volumetric hedging for energy and capacity
- Pass through cost contracts

**Workforce Health and Safety**
- Global pandemic
- Increased initiatives and projects
- Aging infrastructure
- Completing and monitoring job hazard assessments
- Safety orientation and safety training requirements
- Monitoring key safety metrics and enhancing awareness

*Note: NYPA has previously identified and responded to third party risk; however, 2022 is the first year a formal enterprise risk assessment was performed*
NYPA Enterprise Residual Risk Assessment Summary

Highlights:
• Year over year Residual Enterprise Risk Scores remained relatively stable
• Controls and mitigation strategies are being reviewed, modified, or added to address shifting risks profiles
• Six additional risks were conducted

Residual Risk that increased YoY:
• Attract, Develop, and Retain a Diverse and Qualified Workforce
• Commodity Market Price Volatility
• Regulatory/Legislative Environment

Residual Risk that decreased YoY:
• Workforce Health and Safety
• Sustained Margin Reduction

Note: See appendix for additional details of individual Enterprise Risks
Canals: Notable Year-Over-Year Highlights

Despite deployment of continuing controls and mitigation strategies, **aging infrastructure** is the prominent risk driver impacting all the top enterprise risks. Additional drivers include:

<table>
<thead>
<tr>
<th>Key Drivers of Inherent Risk</th>
<th>Enterprise Risk</th>
<th>Key Controls and Mitigation Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Service employment constraints</td>
<td>Attract, Develop, and Retain a Diverse Qualified Workforce</td>
<td>• Title consolidation project to increase flexibility and career growth</td>
</tr>
<tr>
<td>Competitive and flexible market</td>
<td></td>
<td>• Communicate benefits of long-term compensation</td>
</tr>
<tr>
<td>Workload demand</td>
<td>Critical Infrastructure</td>
<td>• Long-range asset planning and risk assessment</td>
</tr>
<tr>
<td>Climate change</td>
<td></td>
<td>• Dam safety program</td>
</tr>
<tr>
<td>Expansion of recreational activities</td>
<td>Financial Planning</td>
<td>• Annual capital and maintenance planning programs</td>
</tr>
<tr>
<td>Increased costs</td>
<td></td>
<td>• Divestiture of non-critical Canals infrastructure</td>
</tr>
<tr>
<td>Project uncertainty due to community opposition</td>
<td>Health and Safety</td>
<td>• Completing and monitoring job hazard assessments</td>
</tr>
<tr>
<td>Global pandemic</td>
<td></td>
<td>• Safety orientation and safety training requirements</td>
</tr>
<tr>
<td>Large geographic footprint</td>
<td>Organizational Integration</td>
<td>• Enhanced public safety communications (e.g., signage)</td>
</tr>
<tr>
<td>Limited staff resources</td>
<td></td>
<td>• Canals prioritization in VISION2030</td>
</tr>
<tr>
<td>Union limitations</td>
<td></td>
<td>• NYPA and Canals shared resource model</td>
</tr>
<tr>
<td>Technology barriers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Canals Enterprise Residual Risk Assessment Summary

Highlights:

- Enterprise Residual Risk Scores remained relatively stable
- Aging infrastructure concerns present a challenge when viewed in context of the Risk Appetite for Critical Infrastructure and Health and Safety
- Controls and mitigation strategies are being reviewed, modified, or added to address shifting risks profiles
- 2023 Canals Enterprise Residual Risk Assessment will separate Health and Safety into two distinct risks:
  - Public
  - Workforce

Residual Risk that increased:

- Financial Planning

Residual Risk that decreased:

- Health and Safety
- Organizational Integration

Note: See appendix for additional details of individual Enterprise Risks
Chief Financial Officer Report

Adam Barsky
EVP & Chief Financial Officer

July 14, 2022
## YEAR-TO-DATE ACTUALS THROUGH May 31st

### YTD ACTUALS (JANUARY-MAY 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>Generation Revenue</td>
<td>$1,146,506</td>
<td>$1,309,448</td>
<td>$162,942</td>
</tr>
<tr>
<td>Non Utility Revenue</td>
<td>13,596</td>
<td>10,561</td>
<td>(3,035)</td>
</tr>
<tr>
<td>Ancillary Service Revenue</td>
<td>13,155</td>
<td>21,159</td>
<td>8,004</td>
</tr>
<tr>
<td>NTAC and Other</td>
<td>98,357</td>
<td>135,161</td>
<td>36,803</td>
</tr>
<tr>
<td><strong>Operating Revenue Total</strong></td>
<td>1,271,615</td>
<td>1,476,329</td>
<td>204,714</td>
</tr>
<tr>
<td>Operating Expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Power</td>
<td>(331,135)</td>
<td>(403,607)</td>
<td>(72,473)</td>
</tr>
<tr>
<td>Ancillary Service Expense</td>
<td>(12,285)</td>
<td>(13,275)</td>
<td>(990)</td>
</tr>
<tr>
<td>Fuel Consumed</td>
<td>(152,301)</td>
<td>(175,419)</td>
<td>(23,117)</td>
</tr>
<tr>
<td>Wheeling</td>
<td>(289,378)</td>
<td>(328,042)</td>
<td>(38,664)</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>(254,976)</td>
<td>(236,084)</td>
<td>18,892</td>
</tr>
<tr>
<td>Other Expense</td>
<td>(31,933)</td>
<td>(56,113)</td>
<td>(24,179)</td>
</tr>
<tr>
<td>Monetized Funds Support*</td>
<td>(7,050)</td>
<td>(56,113)</td>
<td>(24,179)</td>
</tr>
<tr>
<td>Allocation to Capital</td>
<td>15,549</td>
<td>15,898</td>
<td>348</td>
</tr>
<tr>
<td><strong>Operating Expense Total</strong></td>
<td>(1,063,508)</td>
<td>(1,209,304)</td>
<td>(145,795)</td>
</tr>
<tr>
<td><strong>EBIDA Total</strong></td>
<td>208,107</td>
<td>267,025</td>
<td>58,918</td>
</tr>
<tr>
<td><strong>Non Operating</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and Other Income</td>
<td>7,428</td>
<td>1,679</td>
<td>(5,750)</td>
</tr>
<tr>
<td>Mark to Market Adjustments</td>
<td>0</td>
<td>(16,839)</td>
<td>(16,839)</td>
</tr>
<tr>
<td><strong>FADS Total</strong></td>
<td>215,535</td>
<td>251,864</td>
<td>36,329</td>
</tr>
<tr>
<td>Interest &amp; Other Expenses</td>
<td>(42,894)</td>
<td>(49,805)</td>
<td>(6,912)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(133,796)</td>
<td>(125,890)</td>
<td>7,906</td>
</tr>
<tr>
<td><strong>Interest and Other Expenses Total</strong></td>
<td>(169,261)</td>
<td>(190,856)</td>
<td>(21,594)</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>$38,845</td>
<td>$76,169</td>
<td>$37,324</td>
</tr>
</tbody>
</table>

*Monetized Funds Support: Expected incremental expenses into the forecast.

**EBIDA:** Earnings Before Interest Depreciation & Amortization

**Funds Available for Debt Service (FADS):** EBIDA + Investment and Other Income + MTM Adjustments
## 2022 YEAR-END PROJECTION

**YEAR END PROJECTION (JANUARY - DECEMBER 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>2,632,904</td>
<td>3,517,451</td>
<td>884,547</td>
</tr>
<tr>
<td>Generation Revenue</td>
<td>32,970</td>
<td>28,768</td>
<td>4,202</td>
</tr>
<tr>
<td>Non Utility Revenue</td>
<td>28,876</td>
<td>38,472</td>
<td>9,596</td>
</tr>
<tr>
<td>NTAC and Other</td>
<td>229,160</td>
<td>318,437</td>
<td>89,277</td>
</tr>
<tr>
<td><strong>Operating Revenue Total</strong></td>
<td>2,923,910</td>
<td>3,903,128</td>
<td>979,218</td>
</tr>
<tr>
<td>Operating Expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Power</td>
<td>(692,404)</td>
<td>(1,161,863)</td>
<td>(469,459)</td>
</tr>
<tr>
<td>Ancillary Service Expense</td>
<td>(30,410)</td>
<td>(30,802)</td>
<td>(392)</td>
</tr>
<tr>
<td>Fuel Consumed</td>
<td>(272,271)</td>
<td>(524,267)</td>
<td>(251,996)</td>
</tr>
<tr>
<td>Wheeling</td>
<td>(797,974)</td>
<td>(837,678)</td>
<td>(39,704)</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>(635,231)</td>
<td>(668,751)</td>
<td>(33,520)</td>
</tr>
<tr>
<td>Other Expense</td>
<td>(76,481)</td>
<td>(123,838)</td>
<td>(47,356)</td>
</tr>
<tr>
<td>Monetized Funds Support*</td>
<td>(7,293)</td>
<td>(41,152)</td>
<td>(33,859)</td>
</tr>
<tr>
<td>Allocation to Capital</td>
<td>50,579</td>
<td>50,579</td>
<td>0</td>
</tr>
<tr>
<td><strong>Operating Expense Total</strong></td>
<td>(2,461,486)</td>
<td>(3,337,772)</td>
<td>(876,286)</td>
</tr>
<tr>
<td><strong>EBIDA Total</strong></td>
<td>462,424</td>
<td>565,356</td>
<td>102,932</td>
</tr>
<tr>
<td><strong>Non Operating</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment and Other Income</td>
<td>18,041</td>
<td>12,291</td>
<td>(5,750)</td>
</tr>
<tr>
<td>Mark to Market Adjustments</td>
<td>0</td>
<td>(40,839)</td>
<td>(40,839)</td>
</tr>
<tr>
<td><strong>FADS Total</strong></td>
<td>480,466</td>
<td>536,809</td>
<td>56,343</td>
</tr>
<tr>
<td>Interest &amp; Other Expenses</td>
<td>(97,565)</td>
<td>(104,565)</td>
<td>(7,000)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(321,111)</td>
<td>(318,205)</td>
<td>2,906</td>
</tr>
<tr>
<td><strong>Interest and Other Expenses Total</strong></td>
<td>(400,635)</td>
<td>(451,317)</td>
<td>(50,683)</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td><strong>$61,790</strong></td>
<td><strong>$114,039</strong></td>
<td><strong>$52,249</strong></td>
</tr>
</tbody>
</table>

*Monetized Funds Support: Expected incremental expenses into the forecast.

**EBIDA: Earnings Before Interest Depreciation & Amortization**

**Funds Available for Debt Service (FADS):** EBIDA + Investment and Other Income + MTM Adjustments

Margins - Generation** $143,500

Margins - Transmission 78,798

Margins - Non Utility (4,631)

** Includes Merchant Gross Margin Variance of $74,744 :
Budget @ $266,910 vs Current @ $341,653

Operating Expenses (114,735)

Non-Operating Net (50,683)

NET INCOME $52,249
VISION2030 Foundational Pillar Update – Environmental, Social and Governance

Kerry-Jane King
Senior Director Sustainability

July 14, 2022
Executive Summary

- The Board of Trustees has asked NYPA to describe its efforts across ESG, specifically Social and Governance
- In 2020 NYPA identified 15 material ESG issues, which define the scope of ESG
- The 2021-2025 Sustainability Plan maps our ESG strategy and sets goals for all material issues
- The goals are owned by relevant departments - some goals overlap with VISION2030 strategic priorities and other foundational pillars
- The Sustainability department oversees enterprise-wide efforts to ensure alignment with Sustainability Plan goals
- Updates on specific ESG goals and initiatives are provided by program leads at committee and board meetings throughout the year
- Overall progress across ESG goals will be presented in a dashboard in future ESG Pillar Updates
- NYPA issues an annual sustainability report to communicate progress to our stakeholders. Our 2021 Sustainability Report will be presented at the July board meeting
- Moody’s has evaluated the impact of NYPA’s ESG performance on its high credit rating. Our score reflects good sustainability performance and sound management of ESG risks
15 material issues define NYPA’s ESG strategy

**ENVIRONMENTAL**
- ✓ Climate Change & GHG
- ✓ Renewable Energy & Storage
- ✓ Energy Reliability
- ✓ Energy Efficiency & Electrification
- ✓ Environmental Stewardship

**SOCIAL**
- ✓ Health & Safety
- ✓ Employee Development
- ✓ Diversity Equity & Inclusion
- ✓ Community Engagement
- ✓ Access & Affordability
- ✓ Economic Development

**GOVERNANCE**
- ✓ Enterprise Risk & Resilience
- ✓ Regulatory Management & Compliance
- ✓ Cyber and Physical Security
- ✓ Supply Chain Procurement Practices

**Today’s Focus**
Engagement with our customers, communities and employees amplify our reach

<table>
<thead>
<tr>
<th>Social Issues</th>
<th>Goals</th>
<th>Reporting Channel</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Health &amp; Safety</strong></td>
<td>• Support employee well-being (physical &amp; mental)</td>
<td>• Trustee Meetings</td>
</tr>
<tr>
<td></td>
<td>• Ensure health and safety of employees</td>
<td>• COO Report</td>
</tr>
<tr>
<td></td>
<td>• Support public safety in host communities</td>
<td>• Sustainability Report</td>
</tr>
<tr>
<td><strong>Employee Development</strong></td>
<td>• Develop a dynamic and resilient workforce</td>
<td>• Trustee Meetings</td>
</tr>
<tr>
<td></td>
<td>• Attract/retain talent to achieve VISION2030 and beyond</td>
<td>• Gov. Cmte. - Resource Alignment Pillar Update</td>
</tr>
<tr>
<td></td>
<td>• Continue culture/values work to engage employees across enterprise</td>
<td>• F&amp;R Cmte. - ESG Pillar Update</td>
</tr>
<tr>
<td></td>
<td>• Provide training on sustainability topics and best practices</td>
<td>• Sustainability Report</td>
</tr>
<tr>
<td><strong>Diversity Equity and Inclusion</strong></td>
<td>• Attract and retain diverse workforce</td>
<td>• Gov. Cmte. - DEI Pillar Update</td>
</tr>
<tr>
<td></td>
<td>• Take action to ensure equal outcomes for all individuals</td>
<td>• Sustainability Report</td>
</tr>
<tr>
<td></td>
<td>• Promote sustained growth/development of diverse workforce</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Foster a fair, equitable and safe workplace for all employees</td>
<td></td>
</tr>
<tr>
<td><strong>Community Engagement</strong></td>
<td>• Provide programs/services to local communities</td>
<td>• Trustee Meetings</td>
</tr>
<tr>
<td></td>
<td>• Support underserved communities for a just transition</td>
<td>• Gov. Cmte. - DEI Pillar Update</td>
</tr>
<tr>
<td></td>
<td>• Build/sustain relationships with key stakeholders</td>
<td>• Sustainability Report</td>
</tr>
<tr>
<td></td>
<td>• Enhance customer relationships</td>
<td></td>
</tr>
<tr>
<td><strong>Access &amp; Affordability</strong></td>
<td>• Provide low-cost power to munis/coops for econ. resilience</td>
<td>• Econ. Dev. Power Alloc. Board</td>
</tr>
<tr>
<td></td>
<td>• Implement customer energy efficiency projects</td>
<td>• Trustee Meetings</td>
</tr>
<tr>
<td></td>
<td>• Increase customer uptake of solar</td>
<td>• CCO Report</td>
</tr>
<tr>
<td></td>
<td>• Promote EV adoption by public and for public transport</td>
<td>• Sustainability Report</td>
</tr>
<tr>
<td><strong>Economic Development</strong></td>
<td>• Provide econ. dev. power to create green jobs</td>
<td>• Econ. Dev. Power Alloc. Board</td>
</tr>
<tr>
<td></td>
<td>• Promote just economic growth across NYS regions</td>
<td>• Trustee Meetings</td>
</tr>
<tr>
<td></td>
<td>• Adaptively repurpose Canals for recreation</td>
<td>• CCO Report</td>
</tr>
<tr>
<td></td>
<td>• Adaptively reuse Canals for economic revitalization</td>
<td>• Sustainability Report</td>
</tr>
</tbody>
</table>
Our ability to effectively manage relies on a robust and inclusive approach to sustainability governance

<table>
<thead>
<tr>
<th>Governance Issues</th>
<th>Goals</th>
<th>Reporting Channel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Risk &amp; Resilience</td>
<td>• Protect NYPA through effective risk management</td>
<td>• Finance &amp; Risk Committee - Resilience Pillar Update</td>
</tr>
<tr>
<td></td>
<td>• Integrate and monitor ESG risks</td>
<td>• Sustainability Report</td>
</tr>
<tr>
<td></td>
<td>• Embed resilience into NYPA's culture</td>
<td></td>
</tr>
<tr>
<td>Regulatory Management &amp; Compliance</td>
<td>• Ensure continued regulation proficiency</td>
<td>• Trustee Meetings</td>
</tr>
<tr>
<td></td>
<td>• Maintain health and safety compliance procedures</td>
<td>• Audit Committee</td>
</tr>
<tr>
<td></td>
<td>• Maintain alignment with environmental laws/regs</td>
<td>• Governance Committee</td>
</tr>
<tr>
<td></td>
<td>• Ensure compliance with reliability standards</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Strengthen internal controls across organization</td>
<td></td>
</tr>
<tr>
<td>Cyber &amp; Physical Security</td>
<td>• Protect business from cyber and physical threats</td>
<td>• Cyber &amp; Physical Security Committee</td>
</tr>
<tr>
<td></td>
<td>• Enhance Bulk Electric System security</td>
<td>• Sustainability Report</td>
</tr>
<tr>
<td></td>
<td>• Test effectiveness of Incident Response Plans</td>
<td></td>
</tr>
<tr>
<td>Supply Chain &amp; Procurement Practices</td>
<td>• Reduce env. and social impacts of suppliers</td>
<td>• Trustee Meetings</td>
</tr>
<tr>
<td></td>
<td>• Reduce env. and social impacts of products</td>
<td>• Finance &amp; Risk Committee – DEI Pillar Update</td>
</tr>
<tr>
<td></td>
<td>• Increase spend with local and diverse suppliers</td>
<td>• Governance Committee</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Sustainability Report</td>
</tr>
</tbody>
</table>
• The 2021 Sustainability Report presented at the July Board meeting

• Addresses NYPA’s 15 material ESG issues and describes progress on goals identified in the Sustainability Plan

• Aligns with GRI, SASB and TCFD* and addresses the same metrics as the 2020 report

• Key stories presented in three sections
  • Our Planet: Next Gen Niagara, Smart Path, Argonne Study
  • Our Community: Electric Bus Fleets, Utica Energy Zone
  • Our People: Sustainable U, P-TECH

*Global Reporting Initiative, Sustainability Accounting Standards Board, Task Force on Climate Related Financial Disclosures
Moody’s evaluated NYPA’s ESG performance and determined that it does not have a significant impact on our credit rating.

- Moody’s has issued Credit Impact Scores for utilities that assess the impact of ESG risk factors on credit ratings.
- 141 peers in the “regulated and self-regulated utilities with generation” sector were evaluated.
- NYPA’s score of 2 indicates neutral to low impact.
- Moody’s recognizes NYPA’s strong performance across ESG.

**MOODY’S ANALYSIS HIGHLIGHTS**

- 80% of generation capacity hydroelectric, working towards decarbonization goal.
- Rank among cleanest US electric power producers.
- Fiscally independent from NYS.
- Board sets, and can adjust, rates to maintain a strong financial position.
- Workplace safety culture rooted in best safety practices.
- Robust workforce development programs.
- Sound customer relations.
- Access and affordability through low rates and high reliability.

Only 2% of peers’ Credit Impact Scores were above.

Environmental & Social Issuer Profile Scores in top quartiles.
Date: July 14, 2022

To: THE FINANCE AND RISK COMMITTEE

From: THE PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Substation Construction Contract
Smart Path Connect Project

SUMMARY

The Trustees will be requested at their July 26, 2022, meeting to approve an award of a five-year construction contract to Michels Power Inc. (“Michels”) of Neenah, WI, in the amount of $104,722,455, which was found to be the best value for the Authority for Substation Construction for the Smart Path Connect Project (“Project”).

In accordance with the Authority's Guidelines for Procurement Contracts and Expenditure Authorization Procedures (EAPs), the award of Construction Services contracts to be rendered for a period more than one year or over $10 million require Trustees’ approval. Trustee approval will be requested at the July 26, 2022, meeting.

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

BACKGROUND

The contract is intended to support the 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 scope of this contract includes the construction of three new greenfield substations named Haverstock, Adirondack, and Willis as well as upgrades and demolition to the existing Ryan, Patnode, Massena, and Marcy substations. The scope of work at each substation includes construction of but is not limited to site work, foundations, structural supports, bus work, trenches, cable and conductor installation, commissioning and testing, and coordination with other contractors on the Project. Procurement of substation hardware, conductors, control cable, trenches, and all other materials not currently procured under existing Authority contracts for the Project are included in this contract.
DISCUSSION

Pursuant to Section § 2879 of Public Authority’s Law (PAL), the Authority issued a Request for Proposal ("RFP") Inquiry No. Q21-7255MR which was advertised in the New York State Contract Reporter on December 13, 2021. Thirty suppliers were listed as having been invited to or requested to participate in the Ariba Event.

After launching the RFP, a pre-bid meeting was held on December 20, 2021, to afford the prospective suppliers the opportunity to gain greater perspective of the Project, the expected deliverables, and required submittals.

The intent of the RFP evaluation was a two-phase approach. Phase 1 was the qualification round with request for proposals for a representative greenfield and a brownfield scope which resulted in a short-list of qualified suppliers. Phase 2 was the issuance of a Post Bid Addendum to the short-listed suppliers with updated construction drawings for the Project and request for pricing for three greenfield and four brownfield substations which represents the scope for this contract.

On February 1, 2022, ten proposals were received electronically for Phase 1 via Ariba from the following suppliers: Michels Power Inc. – Neenah, WI, Three Phase Line Construction, Inc. – Rochester, NH, Primoris Electric Inc. – Bakersfield, CA, MJ Electric, LLC – Houston, TX, ES Boulos Company – Westbrook ME, O’Connell Electric Company – Victor, NY, Henkels & McCoy, Inc. – Blue Bell, PA, JW Didado Electric, LLC – Akron, OH, Kiewit Power Constructors Co. – Omaha NE, Barnard Construction Company, Inc. – Bozeman, MT. These proposals were for limited scope (two substations) intended to pre-qualify bidders only.

From this phase, five companies were not recommended to Phase 2 because their technical and organizational capabilities, capacity, and experience were not as strong as the five remaining suppliers, and/or they were not compatible with size and scope required submittals.

The five remaining suppliers, Henkels & McCoy, Inc., Kiewit Power Constructors, O’Connell Electric Company, MJ Electric, LLC and Michels Power Inc. were deemed to be the most qualified to move to Phase 2 of the evaluation process. Post-bid addenda were issued starting on March 28, 2022 to these five suppliers with updated scope, project design drawings, schedule, and Schedule of Values (“SOV”).

Michels submitted a well-defined and detailed proposal for all substations. The proposal presentation and interactions with the proposed project team reaffirmed Michels’ experience, capability, and capacity to support the Project. Further negotiations with Michels demonstrated strong understanding of the scope of work, technical capabilities, experience, and expectations of the Authority.

Michels is committed to the Authority’s supplier diversity goals as set forth in the RFP and plans to continue its outreach program for additional subcontractors, including the identification and the development of local subcontractors. Michels’ Project Execution Plan, Work Management Programs, Schedules, QA/QC Plan, Environment Management Plans,
HASP and Safety records were reviewed by the Evaluation committee and received the highest scores.

Michels’ evaluated and negotiated pricing includes a 4.5% discount for project award including all substations due to efficiencies possible with the larger scope. It was found that Michels’ bid was approximately 3.8% higher than the latest estimate, of $100,962,984 which is within the acceptable range for a Class II estimate.

In addition to Michels providing the lowest cost, the evaluation committee determined that their proposal is the best value for the Authority and aligns with the Project requirements. Due to the aforementioned, Michels is being recommended for award.

FISCAL INFORMATION

Expenditures for these contracts will be paid from the Authority’s Capital or Operating Fund, as appropriate and will be included in the Proposed Four-Year Budget and Finance Plan. It is the Authority’s intention to fund such expenditures from the proceeds of a debt issuance.

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 five-year construction contract for substation construction for Smart Path Connect, to Michels Power, Inc., of Neenah, WI in the not-to-exceed amount of $104,722,455.

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

Justin E. Driscoll
Interim President and Chief Executive Officer
RESOLUTION

RESOLVED, That the Finance and Risk Committee recommends that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, the award of a five-year construction contract to Michels Power, Inc., in the not-to-exceed amount of $104,722,455, 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>Michels Power Inc.</td>
<td>$104,722,455</td>
</tr>
<tr>
<td>Neenah, WI</td>
<td></td>
</tr>
</tbody>
</table>

RFP # Q21-7255MR
Date: July 14, 2022

To: THE FINANCE AND RISK COMMITTEE

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Next Generation Niagara Program – Mechanical and Electrical Upgrades Project
Isolated Phase Bus Replacement – Contract Award

SUMMARY

The Trustees will be requested at their July 26, 2022 meeting to approve the award of a fourteen-year construction services contract in the amount of $26,726,900, which includes $8,006,500 in escalation to RMS Energy of Randall, MN for the Next Generation Niagara (“NGN”) Program – Mechanical and Electrical Upgrades Project Isolated Phase Bus Replacement (“Project”).

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

BACKGROUND

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

The NGN Program is comprised of four main projects: (1) integrated controls upgrade, (2) mechanical and electrical upgrades, (3) 630-ton gantry crane replacement, and (4) penstock platform and inspections. The scope of work under this contract includes engineering, furnish, delivery, and construction/installation of the Isolated Phase Bus (“IPB”) System of the Robert Moses Niagara Power Plant generating units.

The major components include, but is not limited to, IPB System replacement, Bushing Mounted Unit Current Transformer replacement, and addition of a fiber optic temperature monitoring system integrated into the unit controls system. The overall NGN Program’s construction activities are scheduled to be substantially complete by 2035 with closeout occurring in 2036.

DISCUSSION

Pursuant to Section § 2879 of Public Authority’s Law (PAL), the Authority issued a Request for Proposal (RFP) for No. Q21-7244NF Iso Phase Bus Life Extension via Ariba e-sourcing which was advertised in the New York State Contract Reporter on November 24, 2021. Eleven suppliers were listed as having been invited to or requested to participate in the Ariba Event. A site walk was
held on December 21, 2021, in which two of the suppliers attended. Three proposals were received electronically via Ariba on January 28, 2022. The summary of the proposals is as follows:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Location</th>
<th>Unevaluated Bid Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black &amp; McDonald</td>
<td>East Syracuse, NY</td>
<td>$39,650,700.00</td>
</tr>
<tr>
<td>Crown Electric</td>
<td>Middletown, OH</td>
<td>$34,447,500.00</td>
</tr>
<tr>
<td>RMS Energy</td>
<td>Randall, MN</td>
<td>$18,720,446.18</td>
</tr>
</tbody>
</table>

The Evaluation Committee was comprised of a multi-disciplinary team which included Strategic Supply Management, Project Management, Quality Assurance, Engineering, Control Room Operations, Niagara Site Operations, Environmental, Health and Safety, reviewed and evaluated the proposals based on the evaluation criteria established in the RFP which included: best value, proposal completeness, technical capabilities, ability to meet the schedule, experience in performing this type of work, and safety records. The RFP event was also reviewed for compliance with the Executive Order ("EO") 13920 “Securing the United States Bulk Power System.” After reviewing this EO, it was considered not applicable to this contract. The proposals were also reviewed for compliance with the New York Buy American Act. After review, it was determined that all bidders provided a compliant proposal to the Authority. Lastly, proposals were reviewed for compliance with EO No. 16 “Prohibiting State Agencies and Authorities from Contracting with Businesses Conducting Business in Russia.” Both Suppliers provided the Authority with affirmation letters stating compliance with EO No. 16.

RMS Energy was determined to be the “best value” bidder based on its strength of experience, ongoing support throughout the life of the Project, its well thought-out project execution plan, high quality manufacturing processes, and ability to address the Authority’s requirements and expectations. A RMS's manufacturing subcontractor is US-based reducing the supplier risk to the Project. RMS took few exceptions to the commercial terms and conditions which have been negotiated and mutually agreed upon. This best value proposal also provides the most competitive pricing for the Project.

Based on the terms and conditions included in the RFP, the Contract award contains 20% Minority and Women Business Utilization Goals and 3% Service-Disabled Veteran goals. There were no proposals received by Prime MWBE or SDVOB Bidders. RMS Energy assigned a contact person within their organization to provide periodic updates to the Authority on the performance of the plan for the duration of the contract.

**FISCAL INFORMATION**

Payment associated with this Project will be made from the Authority’s Capital Fund. The proposed spending for this contract is in alignment with the original program estimate for this work which was approved by the Trustees at their July 2019 meeting and has been included in the approved Four-Year Capital Plan. **It is the Authority’s intention to fund such expenditures from the proceeds of a debt issuance.**
RECOMMENDATION

The Executive Vice President, Chief Financial Officer and the WNY Regional Manager requests that the Finance and Risk Committee recommends that the Trustees approve a fourteen-year non-personal services contract in the amount of $26,726,900, including escalation, to RMS Energy of Randall, MN. for the Next Generation Niagara Program – Mechanical and Electrical Upgrades Project Isolated Phase Bus Replacement.

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
RESOLVED, That the Finance and Risk Committee recommends that the Trustees, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, approve the award of a fourteen-year non-personal services contract to RMS Energy in the amount of $26,726,900.00 for the Isolated Phase Bus Replacement to the thirteen Robert Moses Niagara Power Plant generating units in support of the Next Generation Niagara Program - Mechanical and Electrical Upgrades Project, as recommended in the foregoing memorandum of the Interim President and Chief Executive Officer;

RESOLVED, That the Authority will use Capital Funds to finance the costs of the Next Generation Niagara Project – Mechanical and Electrical Upgrades Project; it is the Authority’s intention to fund such expenditures from the proceeds of a debt issuance.

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Contract Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMS Energy</td>
<td>$26,726,900.00</td>
</tr>
<tr>
<td>Randall, MN</td>
<td></td>
</tr>
<tr>
<td>RFP # Q21-7244NF</td>
<td></td>
</tr>
</tbody>
</table>
Date: July 14, 2022

To: THE FINANCE AND RISK COMMITTEE

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Next Generation Niagara Program
630T Crane Replacement
Contract Award and Capital Expenditure Authorization Request

SUMMARY

The Trustees will be requested at their July 26, 2022, meeting to approve capital expenditure in the amount of $44,836,000 and approve the award of a five-year equipment (furnish, deliver, and install) contract in the amount of $37,984,957, to REEL COH, Inc. of Boisbriand, Québec for the Next Generation Niagara (NGN) – 630T Gantry Crane Replacement Project ("Project")

Capital Expenditures in the amount of $13,573,300 were previously approved by the Trustees at their July 2019 meeting bringing the total authorized amount for this Project to $58,409,800.

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

BACKGROUND

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

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

NGN is comprised of four main projects: (1) integrated controls upgrade, (2) mechanical and electrical upgrades, (3) 630T gantry crane replacement, and (4) penstock platform and inspections. This contract is for engineering, furnish, delivery, and construction of a new 680T gantry crane to replace the existing 630T gantry crane.

The major components include, but are not limited to, 680T gantry crane, 15T monorail hoist, 5T maintenance hoist, bird deterrent/infiltration systems, CCTV system, and project/administrative support.
The overall NGN Program’s construction activities are scheduled to be substantially complete by 2035 with closeout by 2036. The new 680T gantry crane is expected to be complete by 2026 and will be utilized for the last eleven full unit upgrades of the NGN Program.

DISCUSSION

Pursuant to Section § 2879 of Public Authority’s Law, the Authority issued a Request for Proposal (RFP) for No. Q21-7223TK NGN 630T Gantry Crane Replacement via Ariba e-sourcing which was advertised in the New York State Contract Reporter on September 24, 2021. Nineteen suppliers were listed as having been invited to or requested to participate in the Ariba Event. Two proposals were received electronically via Ariba on January 28, 2022. The summary of the proposals is as follows:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Location</th>
<th>Unevaluated Bid Price</th>
<th>Firm Fixed Price*</th>
</tr>
</thead>
<tbody>
<tr>
<td>REEL COH, Inc.</td>
<td>Boisbriand, Québec</td>
<td>$30,672,715.00</td>
<td>$37,984,957.00</td>
</tr>
<tr>
<td>Konecranes Nuclear Equipment and Services, LLC</td>
<td>New Berlin, WI</td>
<td>$38,222,240.22</td>
<td>$38,222,240.22</td>
</tr>
</tbody>
</table>

*Firm fixed price which includes escalations over the life of the contract

The Evaluation Committee, comprised of representatives from Strategic Supply Management, Project Delivery, Mechanical Maintenance, Quality Assurance, Environmental, Health and Safety, and Program Controls, reviewed and evaluated the proposals based on the evaluation criteria established in the RFP which included: best value, proposal completeness, technical capabilities, experience in performing this type of work, and safety records. The RFP event was also reviewed for compliance with the Executive Order ("EO") 13920 “Securing the United States Bulk Power System.” After reviewing this EO, it was considered not applicable to this contract. The proposals were also reviewed for compliance with the New York Buy American Act. After review, it was determined that all bidders provided a compliant proposal to the Authority. Lastly, proposals were reviewed for compliance with EO No. 16 “Prohibiting State Agencies and Authorities from Contracting with Businesses Conducting Business in Russia.” Both Suppliers provided the Authority with affirmation letters stating compliance with EO No. 16.

REEL COH, Inc. was determined to be the “best value” bidder based on its strength of experience, ongoing support throughout the life of the Project, a well, thought-out project execution plan, high quality manufacturing processes, and ability to address the Authority’s requirements and expectations. REEL COH, Inc. took few exceptions to the commercial terms and conditions which have been negotiated and mutually agreed upon. To mitigate the risk of inflation over the lifetime of the contract, a firm fixed price contract has been negotiated with REEL COH, Inc. This best value proposal also provides the most competitive pricing for the Project.

REEL COH, Inc. has proposed to comply with the Diversity Contracting goals. Supplier Diversity has reviewed and accepts the Preliminary MWBE Utilization Plan provided by REEL COH, Inc. An overall 10% MWBE goal has been established for the Value Contract. All Work Assigned under this contract will be issued with a PO Release (POR). The scope of work for each POR will be reviewed by Supplier Diversity and the Authority’s Project Management team.
to determine if MWBE opportunities exist. A 10% MWBE goal will be established for each POR that is eligible for diversity contracting goals. REEL COH, Inc. is required to document their good faith efforts to maximize MWBE utilization for the duration of the contract.

As part of the NGN Program, capital expenditures in the amount of $13,573,300 were approved for the 630T Crane Replacement Project in July 2019. With this authorization request of $44,836,000 for the Project, the total authorized amount for the Project will be $58,409,800. This capital expenditure request is comprised of the full design, fabrication, delivery, and installation of a new 680T gantry crane to replace the existing 630T gantry crane along with its’ rails at RMNPP. The capital expenditure authorization request is comprised of the following for the Project:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preliminary Engineering/Licensing</td>
<td>$0</td>
</tr>
<tr>
<td>Engineering/Design</td>
<td>$2,661,700</td>
</tr>
<tr>
<td>Procurement</td>
<td>($19,700)</td>
</tr>
<tr>
<td>Construction/Installation</td>
<td>$35,183,100</td>
</tr>
<tr>
<td>Project Closeout</td>
<td>$29,500</td>
</tr>
<tr>
<td>Authority Direct and Indirect Expenses</td>
<td>$6,981,400</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$44,836,000</strong></td>
</tr>
</tbody>
</table>

**FISCAL INFORMATION**

Payment associated with this Project will be made from the Authority’s Capital Fund. The proposed spending for this contract is in alignment with the original program estimates for this work which was approved by the Trustees at their July 2019 meeting and has been included in the approved Four-Year Capital Plan. It is the Authority’s intention to fund such expenditures from the proceeds of a debt issuance.

**RECOMMENDATION**

The Executive Vice President, Chief Financial Officer and the WNY Regional Manager requests that the Finance and Risk Committee recommends that the Trustees approve capital expenditure in the amount of $44,836,000 and approve the award of a five-year equipment (furnish, deliver, and install) contract in the amount of $37,984,957 to REEL COH, Inc. of Boisbriand, Québec for the Next Generation Niagara – 630T Gantry Crane Replacement Project.

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, pursuant to the Authority’s Capital Planning and Budgeting Procedures, the Trustees approve capital expenditures in the amount of $44,836,000, for the Next Generation Niagara Program – 630T Crane Replacement Project in accordance with, and as recommended in, the foregoing memorandum of the Interim President and Chief Executive Officer;

RESOLVED, That the Authority will use Capital Funds to finance the costs of the Next Generation Niagara Project – 630T Crane Replacement Project; it is the Authority’s intention to fund such expenditures from the proceeds of a debt issuance.

<table>
<thead>
<tr>
<th>Capital</th>
<th>Expenditure Authorization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Next Generation Niagara</td>
<td>$44,836,000</td>
</tr>
<tr>
<td>630T Crane Replacement Project</td>
<td></td>
</tr>
</tbody>
</table>

AND BE IT FURTHER RESOLVED, That the Finance and Risk Committee recommends that the Trustees, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, approval is hereby granted to award a five-year equipment contract to REEL COH, Inc. in the amount of $37,984,957 for the design, fabrication, delivery, and installation of a new 680T gantry crane and demolition of the existing 630T gantry crane in support of the Next Generation Niagara Program – 630T Crane Replacement Project, as recommended in the foregoing memorandum of the Interim President and Chief Executive Officer;

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Contract Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>REEL COH, Inc.</td>
<td>$37,984,957</td>
</tr>
<tr>
<td>Boisbriand, Québec</td>
<td></td>
</tr>
<tr>
<td>RFP # Q21-7223TK</td>
<td></td>
</tr>
</tbody>
</table>
Date: July 14, 2022
To: THE FINANCE AND RISK COMMITTEE
From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER
Subject: Energy Efficiency – Cold Climate Window Heat Pump Recommendation for Contract Award

SUMMARY

The Trustees will be requested at their July 26, 2022, meeting to authorize the award of two seven-year value contracts to Midea America Corp. of Parsippany, New Jersey and Treau, Inc. dba Gradient of San Francisco, California in the aggregate amount of $70 million. The contract scope is inclusive of engineering, design, testing, furnishing, and delivery of the cold climate package window heat pump units. The costs for projects utilizing these contracts will be recovered directly from participants in the Authority’s Energy Efficiency Program (“EEP”), which was previously authorized by the Trustees.

In addition, approval is requested to waive the requirements of Agreement Article 22 “STEEL COMPONENTS” requiring the purchase of steel components produced in whole or substantial part in the United States or its territories or possessions in compliance with Public Authorities Law §2603-a as requested by Midea America Corp. as the units will be manufactured and assembled in Asia. Compliance with Public Authorities Law §2603-a in this instance creates both manufacturing and supply-chain challenges which could delay the overall project schedule, and substantially increase project cost.

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

BACKGROUND

In December 2021, the Authority, in collaboration with the New York City Housing Authority (“NYCHA”) and the New York State Energy Research and Development Authority (“NYSERDA”) launched the “Clean Heat for All Challenge”. This industry competition was directed at heating, ventilation, and air-conditioning manufacturers to develop a packaged cold climate heat pump that can be installed through an existing window opening to provide heating and cooling on a room-by-room basis. The “Clean Heat for All Challenge” directly supports the goals of New York State’s Climate Leadership and Community Protection Act and the New York City Climate Mobilization Act, which both call for greenhouse gas emissions from buildings to be reduced by 40 percent by the year 2030.

The selected vendors will design the products to meet the technical requirements as set forth in the RFP issued by NYPA. The envisioned product would enable rapid, low-cost electrification of multifamily buildings by reducing or eliminating many of the cost drivers inherent to existing heat pump technologies when used in resident occupied apartments. These include costly electrical upgrades, long refrigerant pipe runs, drilling through walls and floors and other construction aspects which result in high project costs, and significant disruption to residents. The type of solutions this initiative is seeking will be broadly applicable to the
multifamily sector across the US Northeast. The New York City Department of Housing Preservation and Development and New York State Homes and Community Renewal have already confirmed their strong interest in utilizing this new type of product for their preservation and new construction pipelines.

DISCUSSION

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

Pursuant to Section § 2879 of Public Authority’s Law, the Authority issued Request for Proposal (“RFP”) No. Q21-7239AP for the Cold Climate Packaged Heat Pump Initiative via Ariba e-sourcing which was advertised in the New York State Contract Reporter on December 17, 2021. Fourteen suppliers were listed as having been invited to or requested to participate in the Ariba Event.

On March 18, 2022, six proposals from the following suppliers were received electronically via Ariba and were evaluated, as further set forth in the Award Recommendation documents.

<table>
<thead>
<tr>
<th>Suppliers</th>
<th>Overall Ranking</th>
<th>Office Locations</th>
<th>Manufacturing Facility Locations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friedrich Air Conditioning LLC</td>
<td>3rd</td>
<td>San Antonio, TX</td>
<td>Mexico</td>
</tr>
<tr>
<td>Midea America Corporation</td>
<td>1st</td>
<td>Parsippany, NJ</td>
<td>China</td>
</tr>
<tr>
<td>MRCOOL, LLC</td>
<td>4th</td>
<td>Hickory, KY</td>
<td>China</td>
</tr>
<tr>
<td>Radiator Labs, Inc &amp; iHandal LLC</td>
<td>N/A*</td>
<td>Brooklyn, NY &amp; Malaysia</td>
<td>Malaysia</td>
</tr>
<tr>
<td>Treau, Inc. (dba Gradient)</td>
<td>2nd</td>
<td>San Francisco, CA</td>
<td>California US</td>
</tr>
<tr>
<td>Y &amp; N Building Supply US LLC</td>
<td>N/A*</td>
<td>Fresh Meadows, NY</td>
<td>China</td>
</tr>
</tbody>
</table>

*Note: proposals were either incomplete or didn’t meet minimum requirements.

The proposals were evaluated by a cross-functional team comprised of Project Delivery, Strategic Supply Management, Customer Representatives, and External Technical Advisors based on relevant RFP criteria, including technical specifications, product availability, pricing, and other customer requirements. In addition, exceptions taken to the contract terms and conditions and other technical and commercial evaluation factors were considered.

Between March 28, 2022, and April 13, 2022, the Evaluation Team conducted initial review of the proposals and a meeting was held on April 14, 2022, to compile a list of review comments and questions. Requests for additional information and online interviews were submitted to the bidders. Interviews were conducted with each bidder between May 4, 2022, and May 13, 2022. Upon receipt of the additional information and clarifications from the bidders, final evaluation was completed during the week of May 16, 2022. An addendum requesting the bidders’ best and final offers was issued on June 1, 2022, and final pricing was received on June 10, 2022.
New York State Article 15-A allows state agencies and authorities to reasonably exclude from their Annual Minority and Women Owned Business Enterprise (MWBE) Goal Plan, goods/materials or services that have been determined to offer no MWBE prime or subcontracting opportunities. The scope of work of this RFP is the Research, Design and Manufacturing to develop a new product with custom engineered parts that are made to order. NYPA Supplier Diversity Program, in coordination with NYCHA and NYSERDA have determined that there are no MWBE subcontracting or supplier opportunities. Accordingly, MWBE goals have been waived for this RFP.

Based upon a thorough evaluation of the proposals, reference checks, interviews, overall scores, Midea and Treau’s proposals were ranked No. 1 and No. 2 of all received proposals. The included prototype test results, computer modeling, and detailed design approaches in their proposals demonstrated the two companies’ capabilities in designing heat pump systems that can meet the minimum requirements and additional design targets set forth in the RFP. All terms and conditions have been fully negotiated.

The evaluation team recommends the award of two value contracts to Midea America Corp. and Treau, Inc. dba Gradient in the aggregate amount of $70 million. Upon final acceptance of the demonstration units by NYPA, NYCHA and NYSERDA, purchase order releases will be issued to Midea America Corp. and Treau, Inc. (dba Gradient) for approximately 20,000 and 10,000 heat pump units respectively.

FISCAL INFORMATION

The costs for projects utilizing these contracts will be recovered directly from participants in the Authority’s EEP and will be funded from amounts previously authorized by the Trustees. Funding for the Authority’s EEP is provided from the Authority’s operating funds and/or from the proceeds of the Authority’s Commercial Paper Notes or other financing instruments, as deemed appropriate. All Authority costs, including Authority overheads and the costs of advancing funds, but excluding grants as applicable, will be recovered from program participants.

RECOMMENDATION

It is requested that the Finance and Risk Committee recommends that the Trustees approve the award of two value contracts in the aggregate amount of $70 million to Midea America Corp. and Treau, Inc. for engineering, design, testing, furnishing, and delivering cold climate package window heat pump units, for a term of seven years.

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 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 value contracts in the aggregate amount of $70 million to Midea America Corp. and Treau, Inc. for a term of seven years.

Contractor
Midea America Corp.
Treau, Inc.

RFP # Q21-7239AP

Contract Approval
$70,000,000
Date: July 14, 2022
To: THE FINANCE AND RISK COMMITTEE
From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER
Subject: GUIDELINES FOR COMPLIANCE WITH PUBLIC AUTHORITIES LAW §2603-a LETTING OF CERTAIN CONTRACTS INVOLVING STEEL PROJECTS

SUMMARY
The Trustees will be requested at their July 26, 2022 meeting to approve Guidelines For Compliance With Public Authorities Law §2603-a Letting Of Certain Contracts Involving Steel Projects (“Guidelines”) relative to the letting of contracts involving steel products for the effective administration of Public Authorities Law §2603-a (“PAL § 2603-a”). The Guidelines define steel products and, among other things, a process for allowing a price preference for purchasing domestic steel components.

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

BACKGROUND
Public Authorities Law §2603-a, enacted in 1984, establishes a procurement preference to utilize steel produced or made in whole or substantial part in the United States, its territories or possessions. However, there are instances where mandating the provision of domestic steel under certain contracts will result in unreasonable costs and/or the procured item(s) may not be produced in the United States in sufficient or reasonably available quantities or satisfactory quality or design, among other things, to meet the needs of the Authority, leading to excessive contract cost and/or project delays. In these circumstances, PAL 2603-a allows for the Trustees to determine that the requirements of PAL § 2603-a will not apply.

DISCUSSION
Public Authorities Law §2603-a allows the governing board of the Authority to establish rules and regulations for the effective administration of PAL §2603-a. The Guidelines, attached hereto as Exhibit A, have been established to serve as rules and regulations for the letting and awarding of contracts when both domestic and foreign steel are proposed.

Creating a definition for “steel products” addresses the application of the statute where the percentage of steel components relative to the remaining components of a product being purchased by the Authority is negligible. This reduces the instances when the Trustees are requested to make a determination that the statute is not applicable. The Trustees are not being asked to delegate their obligation under the statute.
The Guidelines also allow for a price differential when comparing proposals for both domestic steel components and foreign steel components, creating a preference for the proposal specifying domestic steel components.

RECOMMENDATION

The Executive Vice President and Chief Financial Officer and the Vice President of Strategic Supply Management requests that the Finance and Risk Committee recommends that the Trustees approve Guidelines that define “steel products” and a process for allowing a price preference for purchasing domestic steel components.

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 Public Authorities Law §2603-a governing the Letting of Certain Contracts Involving Steel Products allows the governing board of the Authority to establish rules and regulations for the effective administration of Public Authorities Law §2603-a;

RESOLVED, That the proposed Guidelines establish such rules and regulations to effectively administer the requirements of Public Authorities Law §2603-a, including a preference for contracts to utilize steel produced or made in whole or substantial part in the United States, its territories or possessions; and be it further

RESOLVED, That the Finance and Risk Committee recommends that the Trustees approve such Guidelines.
GUIDELINES FOR COMPLIANCE WITH PUBLIC AUTHORITIES LAW §2603-a
LETTING OF CERTAIN CONTRACTS INVOLVING STEEL PROJECTS

1. Intent and Purpose
(a) These Guidelines, relative to the letting of contracts involving steel products set forth the rules and regulations for the effective administration of Public Authorities Law § 2603-a define the term “Steel Products” and sets forth a process for allowing a price preference for purchasing Domestic Steel Components (as defined below) over Foreign Steel Components (as defined below).

(b) A determination that Steel Products or steel components are not produced or made in the United States in sufficient and reasonably available quantities or of satisfactory quality or design shall be made only by the Trustees on a case-by-case basis.

2. Definitions
(a) “Steel Component” means an article, whether manufactured or unmanufactured, that is directly incorporated into supplies, material, or equipment at the final assembly location and is rolled, formed, shaped, drawn, extruded, forged, cast, fabricated or otherwise similarly processed or processed by a combination of two or more operations, from steel.

(b) “Steel Product”, for purposes of these Guidelines, means supplies, material, or equipment that are made of, fabricated from, or contain a Steel Component(s) and the cost of such Steel Component(s) exceeds fifty percent (50%) of the cost of all the material content of the subject supplies, material, or equipment.

(c) “Domestic Steel Components”, for purposes of these Guidelines, means a Steel Component, including structural steel and reinforcing steel, where fifty-five percent (55%)* of such Steel Component (measured against its overall cost) is produced or made in whole or in substantial part in the United States, its territories or possessions.
(d) “Foreign Steel Components” means Steel Components other than Domestic Steel Components.

3. **General Principles**
Proposers shall be encouraged to submit proposals for Steel Products containing Domestic Steel Components. They may also submit offers for Steel Products containing Foreign Steel Components in accordance with these Guidelines.

(a) If no proposal is received which includes steel components produced or made in the United States, a conclusive presumption shall be made that such steel component or components are not available domestically.

(b) Proposals shall state the amount of the bid or proposed price which represents the cost of steel components, stated separately for Domestic Steel Components and Foreign Steel Components, for:

   i. contracts estimated to be in excess of $50,000 that include Steel Products; and
   
   ii. contracts estimated to be in excess of $100,000 for the construction, reconstruction, alteration, repair, or maintenance of a facility and utilizing structural or reinforcing steel or major steel products.

4. **Procedure for Competitive Procurements**

(a) The cost of Domestic Steel Components shall be deemed reasonable if the lowest qualified bidder has offered all or substantially all Domestic Steel Components.

(b) If a proposal that includes Domestic Steel Components is otherwise qualified, but not the lowest, for purposes of evaluation only a “credit” shall be applied to such proposal thereby reducing the cost relative to the Domestic Steel Components by the amount of fifteen percent (15%) of the cost of analoguous Foreign Steel Components contained in the lowest qualified proposal; the contract shall be awarded to the lowest qualified bidder offering Domestic Steel Components if the subtraction of such “credit” from the amount of its proposal makes such proposal the lowest qualified proposal.
5. **Procedure for Non-Competitive/Negotiated Procurements**
   If a negotiation is undertaken with one party only, evidence must be submitted that the cost of Foreign Steel Components is at least fifteen percent (15%) less than cost of Domestic Steel Components if Foreign Steel Components are offered.

6. **Emergency Procurements**
   In an emergency, Steel Products shall be deemed not to be produced or made in the United States in sufficient and reasonably available quantities or of satisfactory quality or design if, after reasonable inquiry, the operating agency determines that such Steel Products cannot be obtained within the fifteen (15%) percent cost differential referred to in paragraph 3(b) within the time required by the emergent event.

*Subject to change in conjunction with the Infrastructure Investment and Jobs Act*
Date: July 14, 2022

To: THE FINANCE AND RISK COMMITTEE

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: eMobility Technology & Engineering – Electric Transportation Program Consulting - Expansion of Contract Awards

SUMMARY

The Trustees will be requested at their July 26, 2022 meeting to expand the total contract funding capacity of ten previously awarded value contracts to the firms listed below for consulting services in support of the e-Mobility programs from the previously approved aggregate amount of $9,500,000 up to $20 million.

1. AECOM USA Inc. of Los Angeles, CA
2. Akimeka LLC of Columbia, MD
3. Burns McDonnell Consultants Inc. of Wallingford, CT
4. DNV Kema Renewables of Katy, TX
5. Energy and Environmental Economics, Inc. of San Francisco, CA
6. M.J. Bradley and Associates, LLC of Concord, MA
7. Navigant Consulting, Inc. of New York, NY
8. Vermont Energy Investment Corporation of Burlington, VT
9. West Monroe Partners, LLC of Chicago, IL
10. Western Power Project Advisors of Cerritos, CA

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

BACKGROUND

These contracts are being used to seek consultants to advise and assist in the management of multiple projects in the field of electric transportation. The consulting firms under contract will work on the following project scopes:

- Develop alternative business models for NYPA’s Electric Vehicle Supply Equipment (EVSE) business.
- Develop business models for NYPA to actively engage its government customers in electrifying their fleet vehicles.
- Develop business plans for NYPA’s involvement in the Volkswagen Appendix D settlement.
- Provide analyses of government fleet inventories and submit reports recommending electrification candidates and estimated costs of vehicles and charging infrastructure.
- Conducting electric vehicle (EV) infrastructure site surveys
- Emissions calculations and economic analyses of EVs, heavy-duty diesel vehicles, and utility generation.
- Serve as a technical or business model advisor in the scoring of RFPs.
- Attend conferences representing NYPA and to compile reports on the proceedings and represent NYPA’s interests in discussions.
- Assist in the development of programs to encourage EV adoption among the general public and designing appropriate outreach programs.
- Customer charging infrastructure projects, including with the MTA, may require engineering design services as initial phases to progress the implementation of projects.

Projects have been and will be competitively mini-bid among the firms listed above.

DISCUSSION

Eighteen (18) proposals were received on May 17th, 2019 in response to an advertisement issued on April 8, 2019 for Inquiry Q19-6686MH Electric Transportation Program Consulting Services.

The evaluation committee reached the conclusion that the following ten firms provided NYPA with the best overall value and was the most compliant to NYPA’s specifications and commercial requirements: AECOM, Akimeka, Burns McDonnell, DNV KEMA, E3, MJB&A, Navigant, VEIC, West Monroe, and WPPA.

At their meeting on December 11, 2019, the Trustees approved the award of value contracts to the above ten consultants with an aggregate value of up to $2 million dollars and a term of five years through 10/31/2024.

At their meeting on September 30th, 2021, the Trustees approved the expansion of the aggregate value of these value contracts to $9,500,000. While those funds have not been exhausted, it is possible they can be soon based on expected upcoming work. Additional funding is requested at this time due to upcoming work expected to support large transit bus projects, such as the MTA, school buses charging projects, and State agency fleet studies.

FISCAL INFORMATION

The consulting contracts will be used for two (2) eMobility programs: EVolve NY and customer owned charging projects. The EVolve NY public charging program is a Trustee approved NYPA capital program. The costs for customer owned charging projects utilizing these contracts will be recovered directly from participants in the Authority’s EEP and will be funded from amounts previously authorized by the Trustees. Funding for the Authority’s EEP is provided from the Authority’s operating funds and/or from the proceeds of the Authority’s Commercial Paper Notes or other financing instruments, as deemed appropriate. All Authority costs, including Authority overheads and the costs of advancing funds, but excluding grants as applicable, will be recovered from program participants.

RECOMMENDATION
The Executive Vice President and Chief Financial Officer and the Vice President of NYPA Ventures recommend these consulting value contracts be expanded from the current $9.5 million in aggregate funding to a total of $20 million due to expanded interest in the program from transit agencies and other large fleet customers.

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 Committee recommends that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, to expand the total contract funding capacity of ten previously awarded value contracts to the firms listed below for consulting services in support of the e-Mobility programs from the previously approved aggregate amount of $9,500,000 up to $20 million.

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Expansion Total</th>
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<tbody>
<tr>
<td>1. AECOM USA Inc. of Los Angeles, CA</td>
<td>$20,000,000.00</td>
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<td>9. West Monroe Partners, LLC of Chicago, IL</td>
<td></td>
</tr>
<tr>
<td>10. Western Power Project Advisors of Cerritos, CA</td>
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</tbody>
</table>
Date: July 14, 2022
To: THE FINANCE AND RISK COMMITTEE
From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER
Subject: Runner Band Drain Valves
Request for Waiver to Article 22 “STEEL COMPONENTS”

SUMMARY

The Trustees will be requested at their July 26, 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 instrument transformers. This requested waiver is required to award and furnish and deliver contract to Gracon LLC (“Gracon”) for the purchase of four Runner Band Drain Valves (“RBDV”) for the Blenheim-Gilboa Power Project (“B-G”). These valves will be manufactured in Japan by Hitachi Mitsubishi Hydro.

BACKGROUND

There are four pump-turbine motor generator units operating at B-G. The operation of each unit requires a properly functioning RBDV. The existing valves were originally manufactured by Hitachi of Japan in approximately 1972. Prior to 2018, staff at BG discovered that one of the RBDVs was leaking and unable to hold pressure. Consequently, a new valve was procured and manufactured. When the leaking valve was disassembled and inspected for refurbishment, extensive corrosion was observed to have reduced wall thickness, valve needle (disc) had cracked, and moving components had severely worn. Damage was deemed too extensive to allow proper refurbishment.

Similar damage is expected on the remaining valves. Four new valves are being procured to replace the remaining in-service valves and provide one spare.

DISCUSSION

Pursuant to Section § 2879 of Public Authority’s Law, the Authority issued Request for Proposal (“RFP”) No. B22-2784EH via Ariba e-sourcing which was advertised in the New York State Contract Reporter on January 19, 2022. Fifteen (15) suppliers were listed as having been invited to or requested to participate in the Ariba Event. Nine (9) suppliers participated, and one (1) proposal was received electronically via Ariba from Gracon LLC. The RFP requirements included but was not limited to, manufacturing, fabrication, testing, and delivery of the new runner band drain valves.

Gracon, the only qualified and successful bidder, is requesting an exception to Article 22 “STEEL COMPONENTS” as these valves will be manufactured in Japan. The complexity of components, specified tolerances, testing requirements, and proprietary information preclude the manufacturing of this valve in the United States by Gracon. Assuming these requirements
could be met, Gracon estimates that manufacturing these valves in the U.S. would add six to eight months to the lead time and 40% of additional cost. At this time, Gracon is recommended for award with the requested waiver.

As a result of this RFP and upon successful negotiations and quality assurance assessments, the Authority, in accordance with its Expenditure Authorization Procedures, is intending on awarding a furnish and deliver contract for $1,060,900, pending approval of the steel waiver.

FISCAL INFORMATION

This contract will be paid from the Authority’s Capital 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, and Vice President of Strategic Supply Management 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 four runner band drain valves. This requested waiver is required to award a furnish and deliver contract to Gracon LLC, for the subject valves.

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 a 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 the purchase of four Runner Band Drain Valves, 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.
MINUTES OF THE JOINT MEETING
OF THE FINANCE and RISK COMMITTEE
April 26, 2022

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Minutes of the joint meeting of the New York Power Authority and Canal Corporation’s Finance and Risk Committee held via videoconference at approximately 9:00 a.m.

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

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

Michael Balboni is excused from the meeting

**Also in attendance were:**

Justin E. Driscoll  
Adam Barsky  
Sarah Salati  
Joseph Kessler  
Kristine Pizzo  
Yves Noel  
Robert Pascik  
Angela Gonzalez  
Patricia Lombardi  
Elizabeth Beaty  
Adrienne Lotto Walker  
Girish Behal  
Andrew Boulais  
John Canale  
Kerry - Jane King  
Thomas Savin  
Carley Hume  
Christopher Vitale  
Lorna Johnson  
Sheila Quatrocci  
Michele Stockwell  

Interim President and Chief Executive Officer  
Executive Vice President and Chief Financial Officer  
Executive Vice President Chief Commercial Officer  
Executive Vice President and Chief Operating Officer  
Executive Vice President and Chief Human Resources & Administrative Officer  
Senior Vice President and Chief Strategy Officer  
Senior Vice President and Chief Information & Technology Officer  
Senior Vice President – Internal Audit  
Senior Vice President – Project Delivery  
Vice President - Technology Business Management  
Vice President and Chief Risk & Resilience Officer  
Vice President – Project & Business Development  
Vice President – Project & Construction Management  
Vice President – Strategic Supply Management  
Senior Director Sustainability  
Director of Projects – Risk Management  
Chief of Staff  
Finance Performance & Reporting Manager  
Senior Associate Corporate Secretary  
Associate Corporate Secretary  
Project Coordinator - Corporate Secretary  

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 New York State’s Open Meetings Law and called the meeting to order pursuant to Section B(4) of the Finance Committee Charter.

1. **Adoption of the April 26, 2022 Proposed Meeting Agenda**

   On motion made by Member John Koelmel and seconded by Member Dennis Trainor, the agenda for the meeting was adopted, as amended.

2. **Conflicts of Interest**

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

3. **Motion to Conduct and Executive Session**

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

4. **Motion to Resume Meeting in Open Session**

   On motion made by Member John Koelmel and seconded by Member Dennis Trainor the meeting resumed in open session.

   Chairperson McKibben said no votes were taken during the Executive Session.

5. **DISCUSSION AGENDA:**

   a. Financial Operations

   i. **Chief Financial Officer Report**

      Mr. Adam Barsky, Executive Vice President and Chief Financial Officer, provided highlights of the report to the members. He said he will provide an update on the 3-year actual and full-year forecast in addition to a follow-up on the discussions at the last meeting regarding the volatility in the market, the spike in energy prices, and the Authority’s revenue position and forecast to meet its Budget Plan.
Natural Gas/Energy Prices at Time of Budget vs. Current Forecast
Based on Henry Hub Calendar Year 2022 in terms of the Average of Actuals and Futures of natural gas prices, at the time the Authority was setting its budget forecast the Merchant Gross Margin was at $266 million and natural gas price was below $450. At that time, the winter weather forecast was for warmer than normal conditions at the end of 2021, an indication that the prices would go down towards the beginning of the next year.

In addition, based on the current model, and taking into account the impact of the Authority’s Hedging Program which attempts to manage its volatility and lower its downside risk, the Merchant Gross Margin model projection is now approximately $300 million, a significant increase from the position when the budget was set initially.

Natural Gas Futures Contract
Historically, going back to 2011, and 2017 through 2021, and how high natural gas prices were at that time, the Authority is in a very low energy price environment. Towards the end of 2021, there was a significant impact on energy prices, in general, throughout the region, which impacted NYPA in a positive way. Based on the Authority’s rolling hedging program, if the energy prices are sustained at a higher level, the Authority will be protected from the downside in the current environment to the extent that it has been hedged.

Year-to-date Actuals through March 31, 2022
Net Income for the first quarter is $65 million. This is driven mostly by the higher energy prices and offset by additional expenses, namely, the monetized funds. This result also has a positive impact for some of the Authority’s customers in that the money from merchant sales above a tariff rate is placed into an account and a fund for the benefit of the economic development customers; therefore, these customers are benefitting from these higher prices.

SENY customers that were buying some of their power in the open market are doing so at a higher price. However, NYPA is in the process of renegotiating some of the agreements to give those customers more fixed-price certainty over the next few years; the Authority is also working with them on a plan to provide more stability.

2022 Year-End Projection (January – December 2022)
To date, Net Income is projected at $77 million, with a high case of $100 million; this will continue to increase as the Authority starts to realize other revenues. Impacts related to allocation of capital in terms of timing of capital spending, unrealized losses on the Authority’s investment portfolio in addition to the impact on the market’s under-performance on the Authority’s hedging contribution this year could lead to negative results.

Overall, the Authority expects to exceed the Budget Plan significantly this year. It is expected that the Annual Transmission Revenue requirement will also be higher, and the Authority will see additional revenues from its transmission revenue requirements. An update on this will be provided to the members at the next meeting.

In closing, Mr. Barsky said that the State budget has been released and the State is in a very good financial shape. He added that the State is providing the Authority with significant funding around its energy efficiency programs by buying out a significant portion of the Authority’s portfolio which is received through the State budget. In addition, the Authority’s liquidity remains very robust and Balance Sheet strong.
ii. Recommend Release of Funds in Support of the New York State Canal Corporation

Mr. Adam Barsky, Executive Vice President and Chief Financial Officer, provided highlights of staff’s recommendation to the members. He said that this request is for the release of funds to support the Canal Corporation for the third quarter, as budgeted, in order that the Authority will be compliant with its bond requirements. Chairman Kolemel added that this will be contingent on ensuring that operations continue as anticipated.

_On motion made by member Dennis Trainor and seconded by member Bethaida Gonzalez, the following resolution, as recommended by the Interim President and Chief Executive Officer, was unanimously adopted._

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

RESOLVED, That the 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 as a condition to making the payments specified in the foregoing report, 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.
b. Utility Operations

i. Smart Path Connect Transmission Line Construction Award

Mr. Andrew Boulais, Vice President of Project & Construction Management, provided highlights of staff’s recommendation to the committee. He said that staff is requesting that the Finance and Risk Committee recommend that the Board of Trustees approve a contract to Michels Power of Neenah, Wisconsin, in the amount of $276 million. This contract would support the execution of the Smart Path Connect Project.

On motion made by member Dennis Trainor and seconded by member Eugene Nicandri, 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 six-year construction contract to Michels Power Inc. in the not-to-exceed amount of $276 million as recommended in the report of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Authority will use Capital, which may include proceeds of debt issuances, to finance the cost of this Project.

<table>
<thead>
<tr>
<th>Contractors</th>
<th>Contract Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michels Power Inc. (&quot;Michels&quot;)</td>
<td>$276,000,000</td>
</tr>
<tr>
<td>Neenah, WI</td>
<td></td>
</tr>
</tbody>
</table>

RFP # Q21-7249MR

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

ii. Control Enclosures & Relay Panels On-Call Contract

Mr. Andrew Boulais, Vice President of Project & Construction Management, provided highlights of staff’s recommendation to the committee. He said that the Finance and Risk committee is requested to recommend that the Board of Trustees approve a ten-year equipment on-call contract to Wunderlich-Malec services of Eden Prairie, Minnesota, in the amount of $36 million, and an interim award in the amount of $1.5 million to maintain the Smart Path Connect Project schedule.

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 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 on-call equipment contract to Wunderlich-Malec Services, Inc. in the not-to-exceed amount of $36 million, with interim approval in the amount of $1.5 million, as recommended in the report of the Interim President and Chief Executive Officer; and be it further

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>Wunderlich-Malec Services, Inc.</td>
<td>$36,000,000</td>
</tr>
<tr>
<td>Eden Prairie, MN</td>
<td></td>
</tr>
<tr>
<td>RFP # Q21-7253MR</td>
<td></td>
</tr>
</tbody>
</table>

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

c. Information Technology

i. IT Co-Sourcing Value Contract Extension

Ms. Elizabeth Beaty, Vice President of Technology Business Management, provided highlights of the Information Technology Co-Sourcing Value Contract Extension to the committee. She said that the Finance and Risk committee is requested to recommend that the Board of Trustees approve the request for the IT co-sourcing value contract, its main consulting contract that is used to support the department’s variable staffing model.

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 recommends that the Trustees increase the Information Technology personal service contracts for co-sourcing by $12 million to a new total value of $67 million as listed below; and be it further

RESOLVED, That the Finance and Risk Committee recommends that the Trustees extend the Information Technology personal service contracts for co-sourcing by six (6) months to a new contract end date of June 30, 2023.
Increased Contract Award Value

<table>
<thead>
<tr>
<th>Contract Award</th>
<th>Increased Contract Award Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ernst &amp; Young LLP</td>
<td>$ 55,000,000</td>
</tr>
<tr>
<td>Deloitte Consulting LLP</td>
<td>$ 12,000,000</td>
</tr>
<tr>
<td>Cognizant Technology Solutions</td>
<td>$ 67,000,000</td>
</tr>
</tbody>
</table>

Previous Authorization  $ 55,000,000  
Current Request  $ 12,000,000  
Total Authorized Amount  $ 67,000,000  

Q17- 6135RM

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

d. Strategy and Corporate Development

i. VISION2030 Foundation Pillar Update - Digitalization

Ms. Elizabeth Beaty, Vice President - Technology Business Management, provided a report on the Digitalization Pillar of the Authority’s VISION2030 Strategy, the goal of which is to provide the critical digital enabling capabilities to achieve VISION2030 outcomes while promoting innovation & operating efficiencies.

Digitization Pillar – 2022 Q1 Update

The major significant accomplishment in year 2022 Q1 was completion of the first ever Technology and Innovation Vision and Strategy and associated roadmaps to support the strategic business priorities and improve resiliency. This allowed the team to strengthen the Digitalization Pillar, organizing it with five roadmaps based on NYPA’s core technology, and focusing on technology innovation.

The team is currently setting the stage to expand and scale the Authority’s digital services to ensure that the businesses can have the data they need to make the necessary decisions, going forward. The team will also be expanding on technology and innovation using some of the Authority’s current investments such as the Agile Lab, with partners such as NYSERDA.

Digitization Pillar – Tactics and 2022 Planned Outcomes

2022 Major Deliverables

- Expanding the Authority’s cyber defense utilizing the Coops and MUNIs.
- Modernized infrastructure with more cloud-based services which is are cheaper, over time, to run.
- Align enterprise and business architecture.
- Automation which allows for less risk.
- Promote innovation and co-development.
- Review available technology innovations and apply them to the solutions that are needed to meet NYPA’s goals.

ii. VISION2030 Foundation Pillar Update – Resilience

Ms. Adrienne Lotto Walker, Vice President and Chief & Resilience Officer, said that digitization, resilience is not new to NYPA; the program was originally started in 2017 and the Authority continues to make progress with the program, to date. She continued that the ever-changing business environment remains a risk driver and it is important that NYPA continues to develop its resilience programs. The change in frequency of storms and the threat of ransomware provide risk drivers that highlight why the resilience program is critical. She then invited Mr. Thomas Savin to provide an update on the VISION2030 Resilience Foundational Pillar.

Mr. Thomas Savin, Director of Projects – Risk Management, provided the following report:

**Threat Coordination Management**
Staff completed the first of three tasks under the Climate Adaption Study which includes the completion of climate projections for various climate scenarios across NYPA’s footprint, which culminated in a presentation last month to internal stakeholders, in addition to EPRI and Columbia University, who are participating in a consortium to challenge and validate NYPA’s work and to identify potential blind spots. Going forward, and through the year’s end, staff will continue to focus on maturing the business continuity program and completing the Climate Adaption Study.

**Pro-active Identification of Risks**
Recent accomplishments include the publishing of the Board-approved Risk Appetite Statement, the commencement of a communications campaign that will run through year’s end to engage personnel and bring awareness to risk appetite and approving the design of a formalized Emerging Risk Program. Going forward, and through year-end, we will continue to engage the first line of defense to identify strategic enterprise and operational risks, and to educate on using and applying the risk appetite statement to support risk-informed decisions. We will also continue other activities to advance NYPA’s risk maturity throughout the enterprise.

**eGRC to Enhance Risk Decision Making**
Recent eGRC accomplishments include completing key business requirements and technical design documents for system enhancements and new functionality that will be implemented in coming months. This includes updates supporting Key Risk Indicators, Risk Controls and Audit Integration and completing the process library.

Going forward, and through year’s end, the group will continue making enhancements to establish modules and build upon existing eGRC functionality as well as implement new functionality and modules.

**Metrics and outcomes**
Staff is on track to meet the goals of all the metrics and do not anticipate any issues that would prevent them from accomplishing the outcomes by year’s end.
iii. **VISION2030 Foundation Pillar Update – Environment, Social, and Governance (“ESG”)**

Ms. Kerry-Jane King, Senior Director of Sustainability, provided highlights of the VISION2030 ESG Foundational Pillar. She said that ESG has three tactics to deliver on its vision, namely, Reporting, Lead-by-Example programs, and integration of ESG into policies, processes, and culture.

- **Issue annual reports developed in accordance with leading frameworks**

There is an increased focus on ESG reporting, especially reporting on climate, with the proposed SEC ruling on Climate Risk Disclosure.

ESG has several reporting efforts underway which includes:

**2021 Sustainability Report**

ESG is currently preparing the 2021 Sustainability Report which will be built around NYPA’s 15 material ESG issues identified in its 2020 Materiality Assessment and will align with GRI, SASB and TCFD.

**2022 Integrated Report**

ESG is in the process of laying the foundation for an annual Integrated Reporting, the first to be issued next year. This report will align with GRI, SASB, TCFD and CDP. The report will be audited by a third-party assured for limited assurance.

ESG has identified 118 metrics to be included, most of which are from the Standards. Data quality is critical, and the team has begun a process to assess controls for all of the metrics and enhance the controls in partnership with the internal business controls group and data owners. ESG is engaging data owners across the enterprise to map data processes and enhance the controls. This is a big effort for the company, but it is a critical effort to ensure data quality. Annual reporting is an administrative process with continual improvement over the years. This applies to disclosures and data controls.

**Greenhouse Gas Accounting**

ESG is expanding Greenhouse Gas accounting to include indirect emissions from various sources such as purchase of electricity, transmission line losses, and electricity purchases for resale. This will help ESG identify how to further reduce carbon footprints and also more fully reporting on climate.

**CPD Public Authorities Questionnaire**

ESG has committed to participate in the CPD Public Authorities Climate Risk Disclosure questionnaire and has been asked by the State to lead the coordination of “best effort” with other utilities.

- **Establish Leading Practices and Provide Cohesive Direction across the Enterprise**

**Climate Resilience Study**

ESG’s strategy is built around the 15 material topics identified in its assessment and the sustainability group provides guidance on all of the best industry practices; however, ESG focused directly on projects that support the State goals such as climate mitigation and adaption.

ESG plans to collaborate with the Risk group on the Climate Resilience Study, the next step which is coordinating development of a strategy to operationalize the findings. This will include identifying key tasks such as specifications for design, incremental projects to adapt existing assets, and identification of operational measures.
BuildSmart 2025
ESG will be developing a clean Energy Master Plan for NYPA and Canals to identify energy efficiency and electrification opportunities and infrastructure assessment for all sites.

Land and Water Initiative
ESG is evaluating land management practices and assessing the potential for increasing natural carbon storage by diversity and climate resilience. This is a complimentary project with the carbon storage study which focuses on assets. ESG is looking at surrounding lands to see how management of those lands can also support resilience, overall. ESG is also engaging in land efforts, creating pollinator habitats and meadows, and partnering with Commercial Operations to expand the Tree Power program.

Integrate ESG into policies, processes, and culture
ESG reconvened the Sustainability Advisory Council and coordinated with the leaders of more than 30 departments responsible for achieving the sustainability goals that falls under their purview. ESG worked with them to develop 2022 action plans for 55 goals identified in the Sustainability Plan and are tracking progress on those goals through the year. ESG is also reviewing and advising on relevant polices and wrapping up its training on climate science this quarter. ESG has seen a significant increase in climate literary; therefore, overall, the program has been a success.

Outcomes – 2022 Targets and YTD Actuals for Q1
ESG will be adding to and defining metrics as programs evolve.

Build Smart
BuildSmart does not indicate progress this year because big projects are currently being implemented that reached 30 percent design last year.

EV fleet
EV Fleet is moving ahead with infrastructure. As it relates to vehicle procurement, there are challenges in this area due to lack of availability of appropriate vehicles and supply chain issues.

Habitat
Habitat restoration baseline is “0”. This is reset every year because the aggregated total is so vast that staff would lose a clear view in progress.

In closing, Ms. King said that ESG is adding new metrics next year for greenhouse gas emissions on vehicle fleet and buildings, as well as water efficiency.

Mr. Barsky added that, at a recent meeting with Moody’s they indicated that the company will be incorporating ESG into its ratings of all utilities for public and private entities. They are working on a scorecard and NYPA is assisting with some of the specifics. NYPA will be in the top ten percent of all the rated entities in terms of its ESG program. Moody’s appreciate the framework build around NYPA’s program, to date, and being ahead of others in this area.
5. **CONSENT AGENDA:**

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

a. **Utility Operations**

i. **Instrument Transformers – Request for Waiver to Article 22 “STEEL COMPONENTS”**

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 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 instrument transformers, as recommended in the report of the Interim President and Chief Executive Officer; and be it further

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**

Hitachi Energy USA  
Raleigh, NC

Trench Industries Ltd.  
Scarborough, Ontario, Canada

RFP # S21-3091MW

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

ii. **Current Limiting Reactors – Request for Waiver to Article 22 “STEEL COMPONENTS”**

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 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 current limiting reactors, 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 projects.

Contractor

Trench Industries Ltd.
Scarborough, Ontario, Canada

RFP # Q22-7267AP

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

b. Approval of the Minutes of the Joint Meeting held on March 18, 2022

On motion made and seconded the Minutes of the New York Power Authority’s and Canal Corporation’s Finance and Risk Committee held on March 18, 2022, were unanimously adopted.

6. Next Meeting

Chairperson McKibben stated that the next regular meeting of the Finance and Risk Committee will be held on July 14, 2022.

Closing

On motion made by Member Dennis Trainor and seconded by member John Koelmel, the meeting was adjourned by at approximately 11:21 a.m.

Karen Delince
Corporate Secretary
Next Meeting

The next regular meeting of the Joint Finance & Risk Committee will be held on Thursday, September 15, 2022.