1. Adoption of the January 25, 2022 Proposed Meeting Agenda

2. DISCUSSION AGENDA:
   a. Strategic Initiatives
      i. Interim President and Chief Executive Officer's Report (Justin Driscoll)
   b. Chief Operations Officer's Report (Joseph Kessler)
   c. Chief Commercial Officer’s Report (Sarah Salati)
   d. Chief Financial Officer’s Report (Adam Barsky)
   e. Finance & Risk Committee Report (Chair Tracy McKibben)
      i. Additional Proposed Issuance of Bonds and Release of Funds in Support of Separately Financed Projects (Adam Barsky)
         1. Proposed Issuance of Transmission Project Revenue Bonds
         2. Release of Additional Funds in Support of Separately Financed Projects
      ii. Recommendation for Award - Smart Path Connect Project - Steel Pole Structures and Anchor Bolt Cages (Andrew Boulais)
      iii. Y49 Cable – Engineer, Procure and Construct Reconductoring - Contract Award (Andrew Boulais)
      iv. Beechcraft King Air B350 Transfer of Ownership to the New York State Police (John Canale)
      v. Recommendation for Award - Enterprise Risk and Resilience Consulting Services (Adrienne Lotto Walker)
1. Approval of the NYPA and Canals Risk Appetite Statement -- Resolution (Adrienne Lotto Walker)

2. Historical Lookback on Hedging Strategy (Bryan Chan)

f. Cyber and Physical Security Committee Report (Chair Michael Balboni)

3. CONSENT AGENDA:

   a. Commercial Operations

      i. Awards of Fund Benefits from the Northern New York Economic Development Fund Recommended by the Northern New York Power Proceeds Allocation Board -- Resolution (Keith Hayes)

      ii. Expansion Power Allocations -- Resolution (Keith Hayes)

   b. Procurement (Services) Contracts

      i. Procurement (Services) and Other Contracts – Business Units and Facilities – Awards, Extensions, and/or Additional Funding -- Resolution (John Canale)

   c. Real Estate

      i. Smart Path Connect Project – Acquisition of 1.536 Acres of Real Property, Town of Massena, County of St. Lawrence -- Resolution (Shirley Marine)

   d. Ratemaking

      i. Adjustment to Westchester County Governmental Customer Cost of Service and Rates – Notice of Adoption-- Resolution (Egle Travis)

   e. Canal Corporation

      i. Canal Corporation Weed Harvester – Transfer of Ownership for Less than Fair Market Value to the Town of Dresden, New York -- Resolution (David Mellen)

   f. Governance Matters

      i. Proposed 2022 Schedule of Meetings – Resolution (Karen Delince)
ii. Approval of the Minutes of the Joint Meeting of the New York Power Authority’s Board of Trustees and Canal Corporation’s Board of Directors held on December 7, 2021

4. Motion to Conduct an Executive Session

5. Motion to Resume Meeting in Open Session

6. Next Meeting
President & CEO Report

Justin E. Driscoll
Interim President & Chief Executive Officer

January 25, 2022
What I will cover today......

2021 Accomplishments
- Overall Performance
- VISION2030 Progress
- Key project delivery in 2021
- 2022 State of the State
- Financial Management
- Management of Capital Portfolio
## December 2021 – VISION2030 Scorecard
Progress toward VISION2030 goals and organizational health

<table>
<thead>
<tr>
<th>Operations</th>
<th>YTD Target</th>
<th>YTD Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Availability (%)</td>
<td>95.0%</td>
<td>97.2%</td>
</tr>
<tr>
<td>Transmission Asset Base (SM)</td>
<td>$1,217</td>
<td>$1,171</td>
</tr>
<tr>
<td>Greenhouse Gas Saved (Tons)</td>
<td>25,929</td>
<td>25,828</td>
</tr>
</tbody>
</table>

### Workforce Management

| Days Away, Restricted or Transferred (DART) Rate (#) | 0.78 | 0.59 |
| Workforce Engagement & Development (#) (Q)          | 5,339 | 9,283 |

### Financials

| Days Liquidity On Hand (#)*                       | 200   |
| Earnings Before Interest, Depreciation & Amortization (EBIDA) (SM) | $409.0 | $460.8 |

### Key Public Milestones

| Natural Gas Milestones (%)                      | 90.0% | 95.0% |
| Reimagine the Canals Priority Project Milestones (%) | 90.0% | 98.0% |

*Values and analysis are reported on a one-month delay beginning August 2021. Scorecard represents preliminary December 2021 data.

**Legend**
- Green: Meeting or exceeding target
- Purple: No update
- Yellow: Off target
- Red: Significantly off target
- Gray: Informational, no target
### 2021 Successes | **All five Strategic Priorities delivered on their goals**

<table>
<thead>
<tr>
<th>Priority</th>
<th>Major 2021 Deliverables</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Preserve Hydropower</strong></td>
<td>On time and on budget for <strong>key upgrade and maintenance project progress</strong> (e.g., NextGen NIA, TLEM, STL, etc.)</td>
</tr>
<tr>
<td><strong>Decarbonize NG Plants</strong></td>
<td>Began to <strong>pilot new low-to-zero carbon technologies</strong>, including a first-of-its-kind green hydrogen demonstration at Brentwood</td>
</tr>
<tr>
<td><strong>Lead Transmission</strong></td>
<td>Matured the <strong>transmission business</strong> by creating an operating model, asset management plan and reporting templates</td>
</tr>
<tr>
<td><strong>Serve Customers and State</strong></td>
<td>Established our <strong>electricity supply strategy and Clean Energy Supply “CES”</strong> plan to meet customer demand and new market opportunities, working towards NYS’ CLCPA goals</td>
</tr>
<tr>
<td><strong>Reimagine the Canals</strong></td>
<td>Launched excursions program, progressed on <strong>priority projects</strong> and established communication channels with stakeholders</td>
</tr>
</tbody>
</table>

**Selected highlights**

Senior Construction Specialist II Stanley Whitmarsh observes transmission structures being installed as part of the Smart Path transmission upgrade project, which reached its halfway mark this year.
## 2021 Successes | Each of the Foundational Pillars achieved key objectives

<table>
<thead>
<tr>
<th>Pillar</th>
<th>Major 2021 Deliverables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digitalization</td>
<td>Deployed <strong>secure and reliable digital services</strong> to boost productivity and achieve targeted outcomes across NYPA</td>
</tr>
<tr>
<td>ESG</td>
<td>Published a <strong>five-year Sustainability Plan</strong> as a roadmap to reach our ESG ambitions</td>
</tr>
<tr>
<td>DEI</td>
<td>Conducted a <strong>DEI audit of our policies, practices, and procedures</strong> and progressed on Ten-Point Plan</td>
</tr>
<tr>
<td>Resilience</td>
<td>Completed <strong>Business Continuity Programs</strong> and kicked off a comprehensive climate risk assessment</td>
</tr>
<tr>
<td>Resource</td>
<td>500+ employees trained in process excellence and launching a <strong>new Career Framework Architecture</strong> to support employees</td>
</tr>
</tbody>
</table>

Future Energy Leader scholarship recipients and PTECH interns tour the iSOC and Innovation Zone after participating in a Board of Trustees meeting.

**Selected highlights**
2021 Successes | **Rooftop solar arrays on 47 public schools and multiple wastewater treatment facilities**

- DCAS and NYPA selected two firms to install solar on nearly 50 public schools and four wastewater treatment facilities
- Projects will be in all five boroughs of New York City, plus three additional counties: Ulster, Delaware and Westchester
- Up to 22 MW of solar power
2021 Successes | Completion of lighting upgrades at Niagara Falls Housing Authority

- Installed nearly 1,000 new energy efficient fixtures at four Niagara Falls Housing Authority facilities
- Funded by NYPA Environmental Justice

April 2021
2021 Successes | NYPA opens Utica Energy Zone

- Admission-free visitors center in Utica
- Provides an immersive, interactive, state-of-the-art museum experience focused on the past, present and future of energy in New York State
Awards Ten Student Scholarships to College-bound New Yorkers to Help Increase Diversity in the Electric Utility Sector

- NYPAl awarded 10 academically accomplished high school seniors a $10,000 scholarship
- This was the first year of the five-year Future Energy Leaders Scholarship program
2021 Successes | Digitization of the First Turbine Under Next Gen Niagara

- First major milestone of Next Generation Niagara
- These upgrades will secure the Niagara Power Project’s long-term future as a clean power generator that spurs economic development in Western New York and across the state
2021 Successes | Fairport Bridge lighting

- First of several lighting installations to illuminate historic pieces of New York’s canalway infrastructure
- Celebrating iconic infrastructure along New York State’s historic Erie Canal.
2021 Accomplishments | Financial Management

Financial Health
Exceeded Financial Plan Target of $40M ($70M+)
Maintaining AA Rating
(FCCR: 2.0x / Days Liquidity: 200)

$50M OPEB Savings
Canal Corp/NYPA OPEB Merger
Converted Medicare Eligible Employees to Medicare Advantage

Credit
Established Green Transmission Revenue Bond (Issuance Q1 2022)
Enables NYPA to better fund priority projects with separate credit

Reporting
First Issue of NYPA’s Sustainability Plan and Sustainability Report along with Annual Report
**Major Accomplishments**

**Transmission**
- 50% progress achieved on **Smart Path**
- **Smart Path Connect** Article VII permit application filed
- 362 miles (of 498 total) miles of OPGW installed to date on the **Communications Backbone** project
- Construction commenced and first five (5) miles of **Central East Energy Connect** built
- NYPA awarded **CleanPath** project
- Bays 25 and 14 South returned to service as part of the **Niagara TLEM** program

**Generation**
- First controls upgrade completed (unit 12) in the **Next Generation Niagara** program
- Last unit (PG-1) overhaul completed in **LPGP LEM** program
- **Blenheim-Gilboa** Unit 3 and 4 breakers replaced and energized

**Headquarters/Canals/Energy Efficiency**
- **Utica Visitor Center** completed and opened to the public
- **Wilson Hill** NY DEC Administration Building completed and available for NYDEC occupancy
- **Evolve** charging program energized 65 DCFC chargers
- **Canals** completed dam rehabilitations at both Deruyter Reservoir and South Lake
- Major efforts for **NYS OGS Empire State Plaza** projects completed (Chiller Installed, LED lights) and **NYCHA** projects commenced (Heating system upgrades, Heat pumps)

YE Actuals are as of P.13 Preliminary Close – 01.13.22
Energy Services actuals exclude grants
• Make New York State a Green Hydrogen Hub

• Harden Infrastructure and Improve Reliability for Emergency Services Statewide

• Design 3 Virtual Power Plants Using State Government Buildings as a Proving Ground

• Invest $1 Billion to Support EV Adoption and Infrastructure

• Achieve 100% Electric School Buses by 2035

• Transform Hunts Point into a Clean Distribution Hub

• Bring Affordable Broadband to New Yorkers and Transform the State’s Digital Infrastructure

• Reimagine New York’s Statewide Canal System
### 2022 Goals | Building on our momentum in VISION2030’s second year

<table>
<thead>
<tr>
<th>Priority</th>
<th>Selected highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preserve Hydropower</td>
<td>Publish a public report on the future of hydropower based on NYISO planning study</td>
</tr>
<tr>
<td>Decarbonize NG Plants</td>
<td>Develop and publish long-term SENY decarbonization plan</td>
</tr>
<tr>
<td>Lead Transmission</td>
<td>Construct and test major projects, and develop new proposals for identified NYS transmission needs</td>
</tr>
<tr>
<td>Serve Customers and State</td>
<td>Expand customer segments served and begin voluntary REC sales</td>
</tr>
<tr>
<td>Reimagine the Canals</td>
<td>Launch 2022 “On the Canals” program to demonstrate value of the Canal System</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pillar</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digitalization</td>
<td>Roll-out digital tools and technology to drive efficiencies and meet VISION2030 objectives</td>
</tr>
<tr>
<td>ESG</td>
<td>Complete Integrated Report draft and new “lead by example” projects</td>
</tr>
<tr>
<td>DEI</td>
<td>Further develop environmental justice programming (e.g., PTECH) and launch Surety Bonding Program</td>
</tr>
<tr>
<td>Resilience</td>
<td>Publish Climate Adaptation report and review with Consortium</td>
</tr>
<tr>
<td>Resource Alignment</td>
<td>Pilot updated job profiles and knowledge transfer program</td>
</tr>
</tbody>
</table>
2022 Objectives | **Cadenza battery project becomes operational**

- 50 kW/250 kWh battery storage system on-site at the White Plains office to reduce peak demand
- Battery has innovative fire-suppression technology
- Project is installed and will go operational in Q1 2022 for a one year demonstration
2022 Objectives | Climate Adaptation Study complete

- Applying downscaled climate impact modeling and infrastructure risk and resilience analysis to our current infrastructure
- Deliverables will inform our adaptation and risk mitigation strategies, as well as our capital expenditure planning
- Study will be finalized in Q3 2022
*Risk Appetite Statement is before the Board for adoption on January 25, 2022
Chief Operating Officer Report

Joseph F. Kessler, P.E.
EVP & Chief Operating Officer

January 25, 2022
Environment, Health & Safety (EH&S)

Accomplishments

DART Rate

<table>
<thead>
<tr>
<th>KPI</th>
<th>Year-End Target</th>
<th>Year-End Actual</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>DART Rate</td>
<td>0.78</td>
<td>0.59</td>
<td></td>
</tr>
</tbody>
</table>

- DART Rate for 2021 YE was 0.59, which was below the target of 0.78
- Exceeded all Level 2 Metrics
- For 2021, 12 DART injuries reported.
- Exceeded goal of conducted Tailgate Talks and Walkdowns for 2021

Collaboration on H&S Programs Enterprise-wide

- Review of Occupational Health Program (OHP)
- Development of the Electrical Safety Program (ESP)
- Formation of the Incident Review Board (IRB)

COVID-19 ICS Response

- Coordination across the enterprise to protect employee health
- Use of technology & supply relationships to deploy testing as needed
- Offering of vaccines via clinics offered on-site for COVID-19 and Flu
- Various communication channels used to ensure employees are following safe protocols while at work

Look Forward

Procurement of EH&S Technical Software

- Enterprise-wide software to aid in the management and collaboration of EH&S work.
- Software will touch VISION2030 foundations of: Digitization, Resource Alignment, Resilience, Environmental, Social & Governance (ESG)
- Increased Incident / Near Miss / Event Reporting
- Foundation for enhancing the Occupational Health Program

Enhancing Job Briefings

- Developing a New Policy with all sites
- Standardizing Documentation across all sites

Updating Hearing Conservation Policy

- Align Procedures at all Sites
- Review Optimal Hearing Protection for all Employees
Drills, Exercises & Preparedness

Accomplishments

• Crescent Vischer Ferry FERC Emergency Action Plan (EAP) Exercise
• NYS Utility Mutual Assistance Exercise
• New York State Canal Corp preemptive lifting of movable dams to prevent flooding

Look Forward

• Evaluate & Implement Improvement Opportunities based on 2021 Lessons Learned
• Conduct Hazard Vulnerability Assessments
• Refresh Regional Crisis Management Plans

Emergency Management

Mitigation
Preparedness
Recovery
Response
Major Projects

Accomplishments

Next Generation Niagara
Smart Path
Central East Energy Connect

Look Forward

Battery Storage
Smart Path Connect
Y49 Reconductoring
Electricity Supply – Through December 2021

2021 Merchant Gross Margin Projections

- **Final**: $298M
- **Target**: $272.4M

- *Note*: $2.2M of Corporate Expense is deducted from full Merchant Gross Margin of $300M

Economic Development

- **1,725 Megawatts**
  - Power Allocated
- **426,505**
  - Jobs Retained and Created
- **$22.7 Billion**
  - Capital Committed

2021 Full Year Merchant Gross Margin is $298 M; $26 M or +9.5% above Target $272.4 M
2021 Economic Development (ED) Power Allocation Approvals

- 95 MW Allocated
- 36,000 Jobs Committed
- $2.4 Billion Capex Committed

• Allocations in 10 NYS ED Regions
• 860 New Green Jobs Committed
# Customer Business Lines: Full Year 2021 Results

<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>Actuals FY 2021</th>
<th>2021 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Clean Energy Solutions</strong></td>
<td>$246M Capital Spend</td>
<td>$253M</td>
</tr>
<tr>
<td></td>
<td>$320M Capital Project Contracts Signed</td>
<td>$223M</td>
</tr>
<tr>
<td><strong>e-Mobility</strong></td>
<td>65 EVolve NY DCFC Charging Ports</td>
<td>124 Charging Ports</td>
</tr>
<tr>
<td></td>
<td>$50M Customer Contracts Signed for DCFCs</td>
<td>$55M</td>
</tr>
<tr>
<td><strong>NY Energy Manager + DER + Flexibility</strong></td>
<td>32.4 MW Solar &amp; 1 MW Storage Installed</td>
<td>33 MW Solar &amp; 3 MW Storage</td>
</tr>
<tr>
<td></td>
<td>20.5K Cumulative MMBtus (Saved/Recommended)</td>
<td>20K MMBtus</td>
</tr>
</tbody>
</table>

*Within Target* | *Outside of Target* | *Significantly Outside of Target Range*
Avoided Capital for New Generation through Energy Efficiency; Keeping NY Economy Growing

**Decarbonizing the State**

- Retail electricity supply, greening power supply
- > 275MW of supply side build avoided from projects
- Aggregate GHG reductions over 855,000 MT CO2e
- Product development: Virtual Power Plant, integrated offerings
- Digital analytics and customer interface

**Project Delivery**

- Implemented $246M project portfolio: 97% of goal
- 57% portfolio through Design Build; direct install
- Digital remote and back-office solutions
- NYPA Ventures: incubation and agility
- Streamlined and standardized processes: Kaizens
Increasing Customer Satisfaction in 2021

Exceeded stretch goal of 805 obtaining an 808 Overall Satisfaction score

1st Quartile in JD Power Electric Utility Business Index (806 threshold)
2022 Looking Forward

State of the State Project Execution

- Harden Infrastructure and Improve Reliability for Emergency Services
- Design 3 Virtual Power Plants Using State Government Buildings
- Achieve 100% Electric School Buses by 2035
- Transform Hunts Point into a Clean Distribution Hub

Electricity Supply & Behind the Meter Strategy Implementation

Customer Satisfaction Enterprise Ownership

Customer Clean Energy Exchange
Chief Financial Officer Report

Adam Barsky
EVP & Chief Financial Officer

January 25, 2022
# 2022 Preliminary Year-End Results

## Year End Actuals (January - December 2021)

<table>
<thead>
<tr>
<th>In $ Thousands</th>
<th>2021 Budget ($)</th>
<th>2021 Current ($)</th>
<th>Variance ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Operating Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Revenue</td>
<td>$1,817,582</td>
<td>$1,875,670</td>
<td>$58,087</td>
</tr>
<tr>
<td>Market-Based Power Sales</td>
<td>430,499</td>
<td>508,624</td>
<td>78,125</td>
</tr>
<tr>
<td>Non Utility Revenue</td>
<td>27,375</td>
<td>26,869</td>
<td>(507)</td>
</tr>
<tr>
<td>Ancillary Service Revenue</td>
<td>27,662</td>
<td>35,855</td>
<td>8,193</td>
</tr>
<tr>
<td>NTAC and Other</td>
<td>237,488</td>
<td>259,716</td>
<td>22,228</td>
</tr>
<tr>
<td><strong>Operating Revenue Total</strong></td>
<td>$2,540,607</td>
<td>$2,706,733</td>
<td>$166,126</td>
</tr>
<tr>
<td>Operating Expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Power</td>
<td>(629,343)</td>
<td>(647,309)</td>
<td>(17,966)</td>
</tr>
<tr>
<td>Ancillary Service Expense</td>
<td>(62,475)</td>
<td>(52,340)</td>
<td>10,135</td>
</tr>
<tr>
<td>Fuel Consumed</td>
<td>(119,206)</td>
<td>(189,903)</td>
<td>(70,697)</td>
</tr>
<tr>
<td>Wheeling</td>
<td>(642,170)</td>
<td>(684,881)</td>
<td>(42,711)</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>(607,911)</td>
<td>(561,567)</td>
<td>46,344</td>
</tr>
<tr>
<td>Other Expense</td>
<td>(129,657)</td>
<td>(147,607)</td>
<td>(17,950)</td>
</tr>
<tr>
<td>Covid-19 Expense*</td>
<td>0</td>
<td>321</td>
<td>321</td>
</tr>
<tr>
<td>Allocation to Capital</td>
<td>59,143</td>
<td>48,317</td>
<td>(10,827)</td>
</tr>
<tr>
<td><strong>Operating Expense Total</strong></td>
<td>(2,131,619)</td>
<td>(2,234,970)</td>
<td>(103,351)</td>
</tr>
<tr>
<td><strong>EBIDA Total</strong></td>
<td>408,989</td>
<td>471,763</td>
<td>62,775</td>
</tr>
<tr>
<td><strong>Non Operating</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest &amp; Other Expenses</td>
<td>(129,262)</td>
<td>(133,296)</td>
<td>(4,034)</td>
</tr>
<tr>
<td>Investment and Other Income</td>
<td>19,626</td>
<td>18,697</td>
<td>(929)</td>
</tr>
<tr>
<td>Mark to Market Adjustments</td>
<td>(258,373)</td>
<td>(281,923)</td>
<td>(23,550)</td>
</tr>
<tr>
<td><strong>Interest and Other Expenses Total</strong></td>
<td>(368,009)</td>
<td>(399,156)</td>
<td>(31,147)</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>$40,980</td>
<td>$72,608</td>
<td>$31,628</td>
</tr>
</tbody>
</table>

*Includes Merchant Gross Margin Variance of $25,440:
Budget @ $272,411 vs Current @ $297,852

**EBIDA: Earnings Before Interest Depreciation & Amortization

*Covid-19: Expected incremental expenses into the forecast.
Date: January 25, 2022

To: THE BOARD OF TRUSTEES

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Finance and Risk Committee Recommendations for Approvals

SUMMARY

The Finance and Risk Committee (the “Committee”) met on January 12, 2022 and considered and recommended the following resolutions which are now before the Board of Trustees (the “Board” or “Trustees”) for adoption.

The attached Exhibit 1 on the Proposed Issuance of Transmission Project Revenue Bonds is included to comply with state law, which requires that the issuance of Bonds be reviewed at both the Committee and the Board level.

The attached Exhibit A on the Beechcraft King Air B350 Transfer of Ownership to the New York State Police item is the market analysis and Exhibit B, a letter from the State Police providing additional information on the purpose and support for the transfer of the plane.

ITEMS FOR ADOPTION

i. Additional Proposed Issuance of Bonds and Release of Funds in Support of Separately Financed Projects

   1. Proposed Issuance of Transmission Project Revenue Bonds

RESOLVED, that the Trustees hereby confirm that (i) the Committee met on January 12, 2022, and resolved to recommend the actions below, (ii) at the time of such resolution, the Committee was composed of all Trustees and (iii) each Trustee has received and reviewed the information, documents and other materials presented at such Committee meeting; and be it further

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

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

2. Release of Additional Funds in Support of Separately Financed Projects
RESOLVED, That the Trustees authorize the release of an additional amount of up to $65 million in funding to support Separately Financed Projects of the Authority, as discussed in the memorandum to the Committee of the Interim President and Chief Executive Officer; and be it further

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

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

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

ii. Smart Path Connect Project – Steel Pole Structures and Anchor Bolt Cages Contract Award
RESOLVED, That the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, the award of a five-year equipment contract to Sabre Industries Inc. of Alvarado, Texas in the amount of $91,518,671 for the Smart Path Connect Project - Steel Pole Structures and Anchor Bolt Cages, in accordance with, and as recommended, in the memorandum to the Committee 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 for the Smart Path Connect Project; and be it further

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

iii. Y49 Transmission Line – Nassau Segment Reconductoring Contract Award
RESOLVED, That the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, the award of a two-year construction contract to Elecnor Hawkeye, LLC in the amount of $37,877,000 for the reconductoring of the Nassau
Segment of the Y49 Transmission Line, in accordance with, and as recommended, in the memorandum to the Committee 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 for the Y49 Nassau Segment Reconductoring Project; and be it further

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

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

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

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

v. Enterprise Risk and Resilience Services Contract Awards

RESOLVED, That the Trustees approve the award of Enterprise Risk and Resilience Consulting Services, pursuant to RFP No. Q21-7234SS and as described in the memorandum to the Committee of the Interim President and Chief Executive Officer, to Aon Risk Services Northeast, Inc. (New York, NY); Customer Care Network, Inc. (Marietta, GA); Deloitte & Touche LLP (New York, NY); Ernst & Young LLP (New York, NY); Guidehouse Inc. (New York, NY); Marsh USA, Inc. (New York, NY) and The Brattle Group, Inc. (Boston, MA), in an aggregate amount of $10 million for a term of 5 years; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, 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.

Justin E. Driscoll
Interim President and Chief Executive Officer
POWER AUTHORITY OF THE STATE OF NEW YORK

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

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

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

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

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

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

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

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

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

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

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

Section 3. The following determinations are hereby made:

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

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

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

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

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

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

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

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

Exhibit A:

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

_________________________________________

FIRST SUPPLEMENTAL RESOLUTION

authorizing

TRANSMISSION PROJECT REVENUE OBLIGATIONS

_________________________________________

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

authorizing

REVENUE OBLIGATIONS

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

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

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

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

(b) In this First Supplemental Resolution:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

AUTHORIZATION OF BONDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(vi) the redemption provisions of the Bonds;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

REDEMPTION AND TENDER OF BONDS

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

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

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

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

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

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

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

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

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

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

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

ADDITIONAL AUTHORIZATIONS; MISCELLANEOUS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[FORM OF BONDS]

No. 202_[A][B] - _______ $_____________

POWER AUTHORITY OF THE STATE OF NEW YORK

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

<table>
<thead>
<tr>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>CUSIP</th>
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Registered Owner: CEDE & CO.

Principal Amount: ________________________________ Dollars

POWER AUTHORITY OF THE STATE OF NEW YORK (herein called the “Authority”), a body corporate and politic, a political subdivision and a corporate municipal instrumentality of the State of New York, organized and existing under and by virtue of the laws of the State of New York, acknowledges itself indebted to, and for value received hereby promises to pay, but solely from the Trust Estate and not otherwise, to the registered owner specified above or registered assigns, the Principal Amount specified above on the Maturity Date specified above (subject to the right of prior redemption hereinafter mentioned) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay to the registered owner hereof interest on such principal sum in like coin or currency and at the rate of interest per annum specified above. This Bond is dated as of ________, 202_, interest on this Bond shall be payable from the______ or ________ next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a _______ or ________, in which case from such date if interest has been paid to such date; provided, however, that such interest shall be payable on this Bond from ________, 202_, if the date of authentication is prior to the first interest payment date therefor. Interest on this Bond shall be payable on ________, 20_ and semi-annually thereafter on ________ and ________, in each case to the registered owner as of the close of business on the first day (whether or not a Business Day) of the calendar month in which the interest payment date occurs, such interest to be paid by the Trustee by check mailed to the registered owner at his address as it appears on the books of registry; provided, however, that upon redemption of this Bond, the accrued interest payable upon redemption shall be payable at the Principal Office of the Trustee upon presentation and surrender of this Bond, unless the redemption date is an interest payment date, in which event the interest on this Bond so redeemed shall be paid by the Trustee by check mailed to the registered owner at his address as it appears on the books of registry.
This Bond is one of a duly authorized issue of obligations of the Authority designated as its “Obligations” issued and to be issued in various series under and pursuant to the Power Authority Act, Title 1 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended (herein called the “Act”), and under and pursuant to a resolution of the Authority adopted on December 7, 2021, entitled “Transmission Project Resolution Authorizing Transmission Project Revenue Obligations”, and a supplemental resolution of the Authority adopted on December 7, 2021, and entitled “First Supplemental Resolution Transmission Project Revenue Obligations” (herein called the “First Supplemental Resolution”). Said resolutions are herein collectively called the “Resolution”.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

POWER AUTHORITY OF THE STATE OF NEW YORK

By: ______________________________
    [President and Chief Executive Officer]

[SEAL]

Attest:

________________________
Secretary
[FORM OF CERTIFICATE OF AUTHENTICATION FOR BONDS]

AUTHENTICATION DATE:

Trustee’s Certificate

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

THE BANK OF NEW YORK MELLON
Trustee

By: __________________________
Authorized Officer
FORM OF ASSIGNMENT

ASSIGNMENT

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

______________________________________________________________________________
(Please insert Social Security or Taxpayer Identification Number of Transferee)

______________________________
/______________________________/

(Please print or typewrite name and address, including zip code of Transferee)

______________________________________________________________________________

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

______________________________________________________________________________

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

Dated: ______________

Signature Guaranteed:

______________________________________________________________________________

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

______________________________________________________________________________

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

New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest, including principal and interest due by operation of scheduled mandatory sinking fund redemption, on this Bond to The Bank of New York Mellon, New York, New York, or its successor, as paying agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from ___________ or the Paying Agent.
FL-539 MARKET ANALYSIS  December 2021, prepared by John Blatchley

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

<table>
<thead>
<tr>
<th>YEAR</th>
<th>ASK PRICE</th>
<th>SALE PRICE</th>
<th>% RETAIL</th>
<th>TOTAL TIME</th>
<th>ENGINES</th>
<th>DATE</th>
<th>MODS</th>
<th>PRICING</th>
<th>TAKE PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$2,750,000</td>
<td>$2,735,000</td>
<td>99.5%</td>
<td>11,200</td>
<td>None</td>
<td>Oct-21</td>
<td>None</td>
<td>$2,700,000</td>
<td>$2,300,000</td>
</tr>
<tr>
<td>2006</td>
<td>$2,505,000</td>
<td>$2,400,000</td>
<td>100.0%</td>
<td>11,200</td>
<td>None</td>
<td>Sep-21</td>
<td>None</td>
<td>$2,500,000</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>2005</td>
<td>$2,500,000</td>
<td>$2,405,000</td>
<td>100.0%</td>
<td>11,200</td>
<td>None</td>
<td>Aug-21</td>
<td>None</td>
<td>$2,500,000</td>
<td>$2,200,000</td>
</tr>
<tr>
<td>2004</td>
<td>$2,200,000</td>
<td>$2,205,000</td>
<td>100.0%</td>
<td>11,200</td>
<td>None</td>
<td>Jun-21</td>
<td>None</td>
<td>$2,200,000</td>
<td>$1,800,000</td>
</tr>
</tbody>
</table>

We recommend a $3,475,000 ask price and a $2,900,000 to $3,400,000 take price, assuming:

- there's no major damage or corrosion history.
- the aircraft records are complete.
- the engines are about 1,100 hours since overhaul.
- Collins Fusion avionics are installed.
- the paint and interior were refurbished in 2017 and are in good condition.
- the aircraft is listed for sale within the next 30 days.

Sources: JETNET LLC and Textron Aviation Inc.
January 22, 2022

Exhibit B
January 25, 2022

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

Dear Mr. Driscoll:

I understand that the New York Power Authority (NYPA) is considering disposing of its Beech Craft King Air 350 Airplane. The New York State Police (NYSP) would be interested in obtaining this airplane from NYPA as it would be an asset to our fleet by expanding our ability to protect and serve the people of New York.

Given various public safety events impacting New York State and changes in crime and public safety trends, the NYSP continues to be relied upon to respond by moving personnel, including executive transports, and equipment across the state. This airplane would therefore provide a substantial boost to our aging fleet as our current King Air planes are 34 and 46 years old respectively and require frequent maintenance that renders them unavailable for use.

The addition of this airplane to our fleet would enhance our ability to respond to these pressing needs. In doing so, the Division would be able to move incident command staff, field personnel, and other emergency responders so that we could expeditiously make assessments and take remedial action. The aircraft would also be used to assist us in the prevention and detection of crime and other violations of the law. This would include an enhanced ability to travel, both inside and outside the state, to retrieve defendants who have fled to avoid apprehension. We feel that this piece of equipment would greatly help in our effort to accomplish our mission.

Should we obtain the airplane, the NYSP would maintain the aircraft for the remainder of its useful life. Additionally, given the market value of this necessary resource, it would not be possible for the Division of State Police to acquire this aircraft with available funds. I thank you for any consideration you may afford our agency in this matter.

Sincerely,

Kevin P. Bruen
Superintendent
Date: January 25, 2022

To: THE TRUSTEES AND BOARD OF DIRECTORS

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Approval of the NYPA and Canals Risk Appetite Statement

SUMMARY

The Trustees and Board of Directors are requested to approve the NYPA and Canals Risk Appetite Statement ("RAS") which is attached in Exhibit “A”. The purpose of this RAS is to provide New York Power Authority (NYPA) and Canals Corporation (Canals) staff with broad-based guidance on the amount and type of risk that NYPA and Canals is willing to accept, mitigate, transfer, or avoid based on an evaluation of opportunities and threats at a corporate level, and in key risk categories to achieve the NYPA and Canals mission and objectives.

BACKGROUND

NYPA and Canals uses a holistic, organizational wide approach to risk management that emphasizes addressing a full spectrum of risks and managing their impact as an inter-related risk and opportunities portfolio, rather than examining risks in silos, which can provide distorted or misleading views with respect to their ultimate effect. Using a RAS approach, the goal is not to control or avoid all risk, but rather to take advantage of opportunities, while avoiding, reducing, transferring, or mitigating threats to maximize the NYPA and Canals overall likelihood of achieving its mission and objectives.

To develop its Risk Appetite Statement, NYPA and Canals reviewed over fifteen examples from the domestic and international public and private sectors. The U.S. Agency for International Development (USAID) Risk Appetite Statement was deemed ideal for NYPA and Canals purposes and was therefore emulated.

DISCUSSION

Risk appetite is typically defined as: “The amount of risk or opportunities an organization is willing to accept in pursuit of its mission.” Strategic risk-taking can help achieve business objectives while maintaining adherence to organizational values and purpose. This definition includes factors that could threaten or enhance the likelihood of achieving this set of objectives. Using this definition of risk appetite emphasizes the importance of a continual weighing of risks and opportunities. The NYPA and Canals RAS formalizes its approach across multiple risk categories while also recognizing the context of the business environment in which they operate.

The RAS recognizes the reality that Business Units at NYPA and Canals are often called upon to make difficult decisions under uncertain circumstances that require a weighing of opportunities and risks. This RAS seeks to clarify NYPA and Canals position regarding such decisions. In addition to providing guidance on how to weigh opportunities and risks, the RAS helps guide on how NYPA and Canals respond to such risks. Responding to risk can take many forms including: avoidance of risk by not investing in a particular approach or not signing an
agreement with a particular partner; reduction of risk through a robust system of internal controls, targeted mitigation measures, or training efforts, among other options; sharing of risk through strategic partnerships with key stakeholders; transfer of risk to another party; or acceptance of risk without mitigation. An explicit expression of NYPA and Canals risk appetite is more than simply providing guidance. Risk appetite is operationalized through a systematic process of governance and escalation procedures using its’ existing governance structure and approved RAS.

**FISCAL INFORMATION**

Section not applicable for approval of RAS.

**RECOMMENDATION**

The Executive Vice President and Chief Financial Officer and the Vice President and Chief Risk and Resilience Officer recommends that the Trustees and Directors approve the NYPA and Canals Risk Appetite Statement.

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 Trustees and the Board of Directors hereby approve the NYPA and Canals Risk Appetite Statement; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority and the Canal Corporation are, and each of them hereby is, authorized on behalf of the Authority and Canals 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.
New York Power Authority

RISK APPETITE STATEMENT

January 2022
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1. INTRODUCTION

1.1 Purpose

The purpose of this Risk Appetite Statement (“Statement”) is to provide New York Power Authority (NYPA) and Canal Corporation staff with broad-based guidance on the amount and type of risk the Authority is willing to accept, mitigate, transfer, or avoid – based on an evaluation of opportunities and threats at a corporate level, and in key risk categories – to achieve the Authority’s mission and objectives. While this document refers to NYPA throughout, the reader should understand that it also pertains to the Canal Corporation.

This Statement is an important element of NYPA’s overall effort to achieve effective Risk Management (RM), and the leadership of the Authority will review and update it periodically as the RM program matures and our risk and opportunities profile shifts.

1.2 Background

NYPA uses a holistic, Authority-wide approach to risk management that emphasizes addressing a full spectrum of risks and managing their impact as an inter-related risk and opportunities portfolio, rather than examining risks in silos, which can provide distorted or misleading views with respect to their ultimate effect. Under this approach, the goal is not to control or avoid all risk, but rather to take advantage of opportunities, while avoiding, reducing, transferring, or mitigating threats to maximize the Authority’s overall likelihood of achieving its mission and objectives.

To develop its Risk Appetite Statement, NYPA reviewed over fifteen examples from the domestic and international public and private sectors. The U.S. Agency for International Development (USAID) Risk Appetite Statement was deemed ideal for NYPA’s purposes and was therefore emulated.
1.3 Authority's Vision, Mission and Values

NYPA’s Risk Appetite is reflected in its Vision, Mission and Values. Adherence to these fundamental principles drives transparent and informed decision-making documented in the Authority’s Risk Management Policy and operationalized through sound governance and a robust risk culture:

**Vision:** A thriving, resilient New York State powered by clean energy.

**Mission:** Lead the transition to a carbon free, economically vibrant New York through customer partnerships, innovative energy solutions, and the responsible supply of affordable, clean, and reliable electricity.

NYPA’s **VISION2030** recognizes and addresses:

- The vital role we play in the transition to a clean energy economy for New York State
- Our continued commitment to the responsible stewardship of the energy and environmental resources under our care
- Our customers’ growing needs and expectations for decarbonization
- COVID-19 recovery and the importance of facilitating resilience for ourselves and our customers should any future pandemics arise
- Enhanced diligence surrounding social equity and inclusion
- The impact of technological innovation on the energy industry.

1.4 Risk Categories

According to the Enterprise Risk Management Policy, “risk appetite” is defined as: “The amount of risk or opportunities the Authority is willing to accept in pursuit of its mission. Strategic risk-taking can help achieve business objectives while maintaining adherence to organizational values and purpose.” This definition includes factors that could threaten or enhance the likelihood of achieving this set of objectives. Using this definition of risk appetite emphasizes the importance of a continual weighing of risks and rewards. NYPA has selected the following categories to assess risk appetite. Note that myriad controls are already in place or need to be developed to ensure that the Authority’s activities adhere to its risk appetite.

- **Financial and Availability of Capital Risks** – are events that may result in financial stresses to the organization that could impede the Authority’s ability to raise capital to achieve its strategic objectives.
- **Operations Risks** – are events or circumstances that can compromise the Authority’s ability to generate income from its assets or cause conditions that jeopardize employee and public safety.
- **Cyber and Physical Security Risks** – are situations that can compromise the integrity of the Authority’s information and operations technologies (IT and OT), or actions that create threats to the physical assets of the Authority or the integrity of the power grid.
- **Supply Chain and Third-Party Risks** – are circumstances that can lead to economic loss; safety, environmental and compliance issues; damage to Authority assets or its reputation; compromise of Authority information systems; non-completion of contracted services arising from NYPA engagements;
or partnerships with third parties.

• **New Venture and Strategic Initiative Risks** – are issues that could impact the likelihood of success in the implementation of the Authority’s strategic initiatives.

• **Safety and Environmental Risks** – are events that could result in harm to Authority employees, contractors, or the public-at-large or adversely impact the environment.

• **Legal, Regulatory and Compliance Risks** – are events or circumstances that compromise the Authority’s ability to comply with regulatory requirements, or legislative or regulatory-driven events that may impede the Authority’s ability to achieve its strategic objectives.

• **ESG and DEI Risks** – are circumstances that could result in non-attainment of Environmental, Social, and Governance (ESG) goals and are outcomes where NYPA does not meet its Diversity, Equity, and Inclusion (DEI) national, state, or Authority objectives.

• **Extreme Weather Risks** – are outcomes driven by climate change that threaten the financial or operational viability of Authority assets and compromise investment opportunities.

• **Talent Management and Labor Relations Risks** – are issues that impact the ability of the Authority to attract and retain qualified labor resources or effectively manage its collective bargaining unit agreements for optimal productivity.

Surrounding these risks is the **context** of the business environment in which we operate. Context is often outside our control and has the potential to affect our ability to achieve objectives. This Statement does not assign a risk appetite rating for context.

However, since context can often increase the likelihood that other types of risks might occur, understanding context is required for determining an operating unit’s approach to risk management. For example, while we cannot mitigate the risk that an event can occur, there are steps we can take to reduce the risk that such circumstances affect the effectiveness of our programs and operations.

**Strategic Risk:** Strategic risk abounds in all industries. The external operating environment is always evolving due to technological, competitive, regulatory, legislative, and social changes beyond NYPA’s control. To contend with strategic risk as effectively as possible, NYPA uses a robust strategic planning process that helps assess the likely impact – and what NYPA needs to do to respond or pivot – with potential changes. The essence of VISION2030, for example, was to contemplate the likely competitive landscape in 2030 and start to pivot ten years in advance to adjust. To evaluate the effectiveness of strategic risk management, NYPA has first determined the measures of success for the execution of its strategy. The updates on the VISION2030 and corresponding tactics and pillars are regularly reported to the Board of Trustees by the Strategy group. While the overall strategy is meant to increase NYPA’s mission and value, the Risk and Resilience team will assess annually the strategic risks that may drive variability.
### 1.5 Risk Appetite Determination Methodology

Sections 3 through 12 of this document place each category of risk on a scale that ranges from a value of 1 (Low Risk Appetite) to a value of 5 (High Risk Appetite). To understand the values, the following criteria was used:

<table>
<thead>
<tr>
<th>Score</th>
<th>Risk Appetite</th>
<th>Definition</th>
</tr>
</thead>
</table>
| **1** | Low \(\text{Reward} < \text{Risk}\) | - Cautious approach and intentionally conservative  
- Very limited tolerance for uncertain outcomes relative to achievement of NYPA’s mission and goals  
- Will accept risk if achieving outcome is especially important to meeting mission, goals and strategic objectives and there is limited possibility of failure to achieve target outcomes  
- Prefer avoiding trading off this objective against achievement of other objectives  
- Willing to invest significant resources to mitigate, transfer, reduce, or avoid this risk |
| **2** | Low to Moderate | Provides a mid-point between “Low” above and “Moderate” below |
| **3** | Moderate \(\text{Reward} = \text{Risk}\) | - Measured and deliberative approach  
- A degree of tolerance for uncertain outcomes relative to achievement of mission, goals, and strategic objectives  
- Will accept selected risks, but must be well-justified and defined in advance of action  
- Willing to trade off this objective against achievement of other objectives in certain circumstances |
| **4** | Moderate to High | Provides a mid-point between “Moderate” above and “High” below |
| **5** | High \(\text{Reward} > \text{Risk}\) | - Flexible approach with higher possibilities and tolerance of failure  
- Willing to tolerate uncertain outcomes relative to achievement of NYPA’s mission and goals  
- Willing to take risks when long-term benefits are significant and strategic and outweigh risks  
- Willing to trade off this objective against achievement of other objectives |
1.6 How to Use the Risk Appetite Statement

This Statement recognizes the reality that Business Units at NYPA are often called upon to make difficult decisions under uncertain circumstances that require a weighing of “opportunities” and “risks.” This Risk Appetite Statement seeks to clarify the Authority’s position regarding such calculations through the risk appetite rating scale described in Section 1.5.

In addition to providing guidance on how to weigh opportunities and risks, this Statement helps guide how we respond to such risks. Responding to risk can take many forms including: avoidance of risk by not investing in a particular approach or not signing an agreement with a particular partner; reduction of risk through a robust system of internal controls, targeted mitigation measures, or training efforts, among other options; sharing of risk through strategic partnerships with key stakeholders; transfer of risk to another party; or acceptance of risk without mitigation. An explicit expression of NYPA’s risk appetite is more than simply providing guidance. Risk appetite is operationalized through a systematic process of governance and escalation procedures.

Descriptions of risk-management strategies used across the Authority appear in each of the “We Will” call out boxes in sections 3-12. Additional strategies for managing risks will depend on Business Unit and Corporate assessment of the likelihood that an individual risk might occur, and the impact that such risk could have if it occurs. For example, in areas where critical assets are subject to electronic intrusions or physical breach, we must implement enhanced controls to further reduce the likelihood of loss. Conversely, in situations in which an innovative approach is deemed more likely to be successful, or to have a game-changing impact, we are more likely to weigh the opportunity presented, and accept the risk.

THE RISK PROFILE

Every NYPA business unit (BU) participates in an annual risk assessment to update NYPA’s Risk and Opportunities Profile through the Authority’s RM Process. The profile provides a way to share information on the major risks that NYPA faces so leadership has visibility into and can make decisions about risk across the Authority. In addition, this and individual BU and Project risk profiles provide a mechanism to ensure that the Authority at all levels makes risk-informed decisions. Risks flagged in these profiles could include major risks that require additional mitigation or “treatment,” to reduce the impact and/or likelihood of risks. Profiles could also include strategic risks that BUs accept because they have determined that the opportunity exceeds the risks. In all cases, assessment of risk and associated risk response should be guided by this Risk Appetite Statement.
2. OVERALL RISK APPETITE STATEMENT

The Authority’s risk appetite for each risk category is as follows:

<table>
<thead>
<tr>
<th>RISK CATEGORY</th>
<th>OVERALL RISK APPETITE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial and Capital Availability Risks</td>
<td>Low</td>
</tr>
<tr>
<td>Operations Risk</td>
<td>Low</td>
</tr>
<tr>
<td>Cyber and Physical Security Risks</td>
<td>Low</td>
</tr>
<tr>
<td>Supply Chain and Third-Party Risks</td>
<td>Low</td>
</tr>
<tr>
<td>New Venture and Strategic Initiative Risks</td>
<td>Low</td>
</tr>
<tr>
<td>Safety and Environmental Risks</td>
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<td>Low</td>
</tr>
<tr>
<td>Extreme Weather Risks</td>
<td>Low</td>
</tr>
<tr>
<td>Talent Management and Labor Relations Risks</td>
<td>Low</td>
</tr>
</tbody>
</table>

Note: While the Authority’s risk appetite is divided into separate categories, the categories are sometimes interrelated. Additionally, each category contains varying risk appetites for specific areas of focus. Sections 3 through 12 provide more nuanced guidance on the Authority’s risk appetite for each category. The Appendix includes a discussion on how Strategic Risk and Reputational Risk were considered in the development of the Risk Appetite Statement.
3. Financial and Availability of Capital Risks

**Definition:** Events that may result in financial stresses to the organization that could impede the Authority’s ability to raise capital to achieve its strategic objectives.

**Overview:** NYPA has assumed a relatively risk-averse posture for financial risks and increasingly so as merchant power margins have eroded with falling energy prices regionally and nationally. However, NYPA cannot control prices or volatility; it can only mitigate them through volumetric hedging activity. Yet to achieve strategic objectives, certain financial risks will need to be considered. We are willing to assume more risk to obtain merchant margin, but it must be accompanied by a reasonable cost/benefit analysis with consideration of risk. On the positive side, new investment in transmission projects offer stable earnings and cash flow. Sufficient examination of alternatives should be provided. Guardrails will be developed for allowed assumption of risk. When funds are limited, our preference will be to focus our capital investments on lower risk projects and ones where a return is highly likely. We are willing to accept new partnerships and ventures, but we must consider counterparty risks and conduct a balanced assessment. Our strategy will be to protect our downside risks and limit available funds for transformative and growth ventures, new technologies, and other strategic pursuits outside of our core business – with opportunities prioritized and subject to the limited pool of funds.

<table>
<thead>
<tr>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
</tr>
</thead>
</table>

**We have a LOW-risk appetite regarding:**
- Fixed Coverage Ratios/Bond Ratings

**We have a LOW to MODERATE risk appetite regarding:**
- Counterparty Credit Risks
- Variability in Gross Margin for Merchant Business
- Net Income Variability

**WE WILL:**
- Maintain a conservative and relatively risk-adverse profile in managing financial risk including fixed coverage ratios, bond ratings, days cash on hand, and net income stability
- Accept additional financial risks in managing gross margin for our merchant business and in managing our venture partnerships, but subject to defined limits and guardrails
- De-prioritize higher risk projects with higher rewards when funds are limited unless projected benefits provide sufficient reward to compensate for additional risk
- Establish a fixed pool of funds available for growth initiatives after protecting the downside risks for the core business
- Require riskier initiatives to compete for funds based upon the limited capital pool of funds for such projects and programs
4. **Operations Risks**

**Definition:** Events or circumstances that can compromise the Authority’s ability to generate positive net income from its assets or jeopardize public safety.

**Overview:** We will continue to have a low-risk appetite for critical infrastructure problems (such as water impounding dams and embankments or grid stability). However, we may start accepting more risk in other areas of operations management, including non-critical structures (i.e., certain sections of the canal system that do not pose dam safety risks), adoption of merchant bid strategies, managing plant availability, and other operational performance standards. To accept a higher level of risk for non-critical assets, we need to differentiate our assets for better consideration of maintenance strategies. Where in the past we may have defaulted to replacement and avoidance of failure, we will consider the economic consequences of asset failure considering our overall corporate and asset strategy and may choose more moderate or even no interventions to avoid failure. Investments in digitization should also guide investment decisions for non-critical assets. We no longer need to assume “top quartile” performance in all areas. Similar considerations will be adopted for managing plant availability. Where “high availability” was the goal in the past, “economic availability” will be our goal in the future. We have already begun to measure commercial availability. As NYPA’s future materializes so too does willingness to pursue operational opportunities such as major transmission projects that support our VISION32030 Strategy.

We have a **LOW-risk appetite** regarding:

- Investment in Critical Programs and Projects to Avoid Infrastructure Failure and Critical Canal Infrastructure Failure

We have a **MODERATE risk appetite** regarding:

- Investment in Non-Critical Programs and Projects to Avoid Infrastructure Failure
- Plant Availability Management and Tolerance for Degrading Plant Condition Driven by Economics
- Energy/Capacity Bid Strategy Efforts to Boost Margin

We have a **MODERATE to HIGH-risk appetite** regarding:

- Non-Critical Canal Infrastructure Failure

**WE WILL:**

- Maintain a risk-averse profile for critical core business and canal assets
- Better define critical canal assets so that we can better allocate funding to support those assets
- Accept more risk in other areas of Operations by adopting a more balanced approach that considers economics, and acceptance that NYPA does not need to be “top performing” in all areas
- Define acceptable levels of risk by asset groups, including consideration of market impacts, and set expectations for employees accordingly
- Explicitly address risk appetite in asset management strategies
- Revisit all standards to consider acceptance of risk where economic
5. **Cyber and Physical Security Risks**

### Overall Risk Appetite: Maintain Low Risk Appetite Preference Except for Non-Critical Physical Structures

**Definition:** Situations that can compromise the integrity of the Authority’s information and operations technologies (IT and OT), or actions that create threats to the physical assets of the Authority or the integrity of the power grid.

**Overview:** NYPA will maintain an extremely low risk appetite for IT or OT cyber security risk and for most physical security of critical assets. Cyber security management is a dynamic effort because the technologies being used to avoid breaches to NYPA assets must “keep up” with the technology advances by those parties who may wish to do harm to NYPA. Such risks may not be eliminated but resource commitments will have to be maintained to minimize the opportunities for cyber intrusions and contain damage should breaches occur. We will also maintain diligence in the management of physical breaches to our critical assets and facilities. Non-critical assets and facilities, however, will receive scrutiny commensurate with their no-critical nature. Finally, while we have invested in the development of our digital utility platform and may have tolerated a little more risk in those development efforts, we believe it is now time to reduce our appetite for risk in further developing our digitization-related assets given the ongoing onslaught of cyber security threats. To proactively prepare for any type of significant Cyber or Physical Security threat or risk, NYPA invests and employs an active response and recovery strategy including robust Disaster Recovery and Business Continuity Plans.

We have a **LOW-risk appetite** regarding:
- Cyber Security for IT systems
- Cyber Security for OT systems
- Physical Security for Critical Assets

We have a **LOW to MODERATE risk appetite** regarding:
- Digitization

We have a **MODERATE risk appetite** regarding:
- Physical Security for Non-Critical Assets

**WE WILL:**
- Invest heavily to avoid or reduce the impact of significant cyber events
- Continue to perform periodic policy updates to increase visibility, data ownership, and approvals for data access through a future all source Data Loss Prevention Program
- Continue to leverage independent cyber monitoring platforms to ensure external cyber visibility and benchmark
- Streamline NYPA’s Incident Response Plan book incorporating a role-based view on response and recovery. Identify key roles at the operational sites and clarify roles and responsibilities via periodic drills
- Provide preference to investments in physical security to critical assets – with higher risk tolerance for non-critical assets
- Ensure disaster recovery is available for all mission essential functions
6. Supply Chain and Third-Party Risks

<table>
<thead>
<tr>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
</tr>
</thead>
</table>

Overall Risk Appetite: From Low/Moderate to Increasingly Moderate

**Definition:** Events or circumstances that can lead to economic loss, safety, environmental and compliance issues, damage to Authority assets or its reputation, compromise of Authority information systems, non-completion of contracted services arising from NYPA engagements or partnerships with third parties.

**Overview:** While NYPA’s has been relatively risk-averse to date, NYPA may consider accepting certain risks to provide more diversity in supplier partnerships. Some of the current challenges include limited major equipment suppliers throughout the global supply chain, compliance to US Executive Orders, Buy America, as well as qualified diverse firms. Our bid process and technology platforms have been designed to provide transparency while meeting public procurements laws. The NYPA bid process and technologies should continue to be revisited to diminish any perceived barriers to participation. Different policies can be considered for various types of services for example construction or maintenance work. NYPA has already begun an initiative to streamline the bid process and explore further insurance mechanisms to expand the opportunities for suppliers, contractors, and venture partners. However, to effectively protect NYPA assets from third party risks, we will continue to be diligent in monitoring third party risks leveraging independent external platforms for supplier vetting, and deep dive forensic reviews on as needed basis, especially regarding third party access to our systems, facilities, and data. These risks may be heightened as we engage with more partners that have international interests and we need to establish the proper controls, risk assessments and contract terms to protect NYPA. In summary, we are willing to evaluate additional risk on a case-by-case basis to enable the expansion of partners, while maintaining diligence in the access to NYPA assets.

We have a **LOW to MODERATE** with increasing towards **MODERATE risk appetite** regarding:
- Supplier Third Party Risks
- Contractor Third Party Risks

We have a **MODERATE risk appetite** regarding:
- New Venture Partner Third Party Risks

**WE WILL:**
- Evaluate risk, when appropriate, with our supplier, contractor, and new venture partners to provide greater diversity
- Evaluate our bid and evaluation processes and platforms for engaging such partners to make it “easier to do business” with NYPA
- Continue to maintain vigilance on cyber-related issues associated with third party engagement
- Continue to exercise caution in the procurement of critical equipment with embedded cyber security risks
- Maintain vigilance in adoption of controls when engaging with partners who have international interests
7. **New Venture and Strategic Initiatives Risks**

**Overall Risk Appetite: Mostly Moderate with Slightly More Appetite for Risk**

**Definition:** Issues that could affect the success in the implementation of the Authority’s strategic initiatives. Note that different terms such as ventures, strategic initiatives, projects, and programs reflect the fact NYPA staff uses different vernacular to describe different endeavors.

**Overview:** NYPA has generally maintained a moderate risk appetite in the pursuit of strategic initiatives. We consider any initiative or investment where costs are not recoverable through regulated rates or through contract commitments as risky investments. We recognize some ventures are commercial or business ventures, whereas other initiatives are conducted for public benefit or the advancement of new technologies and are not necessarily supportable through a business case. As discussed in the examination of financial risks, NYPA intends to separate funds for the pursuit of risky ventures. The pool of funds so designated will be further divided into funds available for business ventures versus those funds designated in support of public interest projects. Business ventures should be supported through robust business cases and go through a series of process stage gates each time more funding is authorized. It is recognized certain new ventures will require more time to achieve benefits – however, the timeline for achieving success should be defined upon initiation of the program. NYPA should provide greater scrutiny for underperforming programs. The NYPA leadership team should periodically evaluate its continued support for certain programs to reaffirm its commitment to these programs or reduce the level of support.

We have a **LOW to MODERATE risk appetite** regarding:

- Maintaining Support for Underperforming Programs

We have a **MODERATE risk appetite** regarding:

- Commercial Operations Product and Service Offerings – and Willingness to Accept Losses to Receive a Win
- New Customer Segments via Expanded Authority
- Investment in New Technologies

**WE WILL:**

- Continue to accept a moderate risk profile for new business ventures and strategic initiatives
- Maintain a more conservative risk profile for larger project investments except for certain transmission projects where risk can be mitigated by taking a smaller project share
- Segregate funds available for growth and transformative investments between supporting business opportunities vs. investments to support public benefit projects or further new technologies
- Re-evaluate strategies, new ventures, and strategic projects after implemented to determine whether continued support is warranted or whether the strategies themselves should be modified. The re-evaluation periodicity may vary by item
8. Safety and Environmental Risks

Overall Risk Appetite: Low Appetite for Risk

Definition: Events or circumstances that could result in harm to Authority employees, contractors or the public-at-large or adversely impact the environment.

Overview: NYPA has always maintained a strong culture for employee and public safety and environmental compliance. We intend to maintain a risk-averse profile in these areas. While economic considerations are always important, and we should continue to evaluate the most economical approach to meeting safety and environmental compliance, we will always default to high standards in these areas. The health and safety of Authority employees is of paramount importance. We recognize the necessity of a safe workplace and vigorously strive to ensure the work environment is free from recognized hazards and is complying with applicable statutory, regulatory, and other standards. Everyone is expected to understand and adhere to the core principles of health and safety. We will not compromise the health and safety of a single worker or member of the general public.

We have a **LOW-risk appetite** regarding:

- Employee and Contractor Health and Safety
- Public Safety
- Environmental Compliance

**WE WILL:**

- Make decisions based on analysis and conclusions supported by the best currently-available evidence
- Incorporate findings from risk-assessments, such as the mandatory regulation, climate-change, and construction risk-assessments, in the design of programs
- Evaluate the impact of new approaches to continually build the Authority’s safety knowledge baseline
- Continually monitor, learn, and adapt as the context changes and new evidence emerges
- Provide rigorous oversight of activities, and ensure we always operate in accordance with applicable laws and regulations
- Remain vigilant in our training, certifications and adoption of lessons learned
9. Legal, Regulatory and Compliance Risks

Overall Risk Appetite: Increasing from Low to Low/Moderate Appetite for Risk

**Definition:** Events or circumstances that compromise the Authority’s ability to comply with regulatory requirements, or legislative or regulatory driven events that may compromise the Authority’s ability to achieve its strategic objectives. Note that the Appendix provides more context related to this risk category.

**Overview:** NYPA has historically maintained a strong risk-averse profile for legal, regulatory and compliance risks. NYPA has operated to a high level of standards, often including the adoption of policies and practices that exceed minimum compliance requirements. We recognize that to maintain these levels of standards requires considerable investment, yet the value of over-compliance is not always clear. Further, maintaining the high standards may prevent us from successfully pursuing certain investments and strategic ventures. We are willing to accept some additional risk in compliance management and reputational risk but need to find a reasonable balance. Resources to support higher standards can be applied where more issues have been identified through audits or other experiences, or where improvements to safety and security can be demonstrated. We recognize failures will occasionally occur. However, we need to be able to demonstrate we have implemented robust compliant maintenance practices. Differences in historical practices suggest Canal Corporation should continue to improve in compliance. Regarding reputational risk (see Appendix also), where possible we should enhance our stakeholder management to help us mitigate future issues and challenges.

We have a **LOW to MODERATE risk appetite** regarding:

- **Meeting Compliance Requirements vs. Exceeding Compliance Requirements**
- **Reputational Risks**

**WE WILL:**

- Be more selective in the adoption of standards that exceed compliance requirements focusing on those areas that have been more challenging, or where safety or security improvements can be demonstrated
- Examine our policies and procedures that support higher standards to determine whether and where lower investments are warranted
- Continue to enhance compliance efforts at Canal Corporation
- Adopt further and proactive stakeholder management programs to mitigate reputational risks including engagement with regulators to inform and understand proposed local, state, and federal regulations
10. **ESG and DEI Risks**

**Overall Risk Appetite: Low/Moderate Appetite for Risk**

**Definition:** Events or circumstances that could result in non-compliance with ESG national, regional, or Authority objectives

**Overview:** Over the past decade, Environmental, Social, and Governance (ESG) emphases have grown as corporations and institutions assume much more responsibility for the broader societal issues surrounding their operations. NYPA and Canal Corporation need to take strong proactive measures to always act in a socially responsible and inclusive manner. NYPA’s Board of Trustees has recognized the importance of these social trends and has directed that substantial resources be dedicated to ensuring exemplary performance in these areas. Those investments will be applied in areas we believe can be most impactful and will accept less risk in meeting ESG objectives. In other areas we will accept more flexibility. Our ability to grow our firm responsibly, through the attraction and retention of employees and through the engagement of NYPA partners, is dependent upon achieving high measures of ESG performance measured against a standard set of measures. NYPA’s ESG effort focuses on fifteen (15) different areas that include energy efficiency and electrification, community engagement, access and affordability, and enterprise risk and resilience, among others. The scope of NYPA’s ESG effort is very broad and encompasses certain of the risk categories covered individually in this document including renewable environmental stewardship, health and safety, regulatory management and compliance, cyber and physical security, and supply chain and procurement practices.

We have a **LOW to MODERATE risk appetite** regarding:

- **Non-Compliance with ESG Objectives**

**WE WILL:**
- Provide detailed communication regarding our ESG goals
- Provide sufficient resources to achieving our goals
- Measure our performance against goals
- Prioritize our investments to those areas that can provide the greatest value, and be less tolerant in variation from objectives in these areas
- We will balance compliance with goals relative to operational flexibility
- Annually review our progress on ESG against the goals set forth in Sustainability Plan 2021-25
10.1 DEI Risks

Overall Risk Appetite: Low/Moderate Appetite for Risk

Definition: Events or circumstances that could result in non-compliance with DEI national, regional, or Authority objectives

Overview: Diversity, Equity, and Inclusion (DEI) has been at the forefront of NYPA practices to ensure all communities have an ability to participate with NYPA either as a contributing employee or as a business partner in the pursuit of the company’s business objectives. NYPA and Canal Corporation take strong proactive measures to always act in a socially responsible and inclusive manner. NYPA’s Board of Trustees has long recognized the importance of this need and has directed substantial resources be dedicated to ensuring improvement and sustained exemplary performance in these areas. Those investments will be applied in areas we believe can be most impactful in meeting our DEI objectives. NYPA has set targets to measure progress in three important areas: 1) employment outcomes by category (race/ethnicity and gender), 2) supplier diversity, and 3) environmental justice. Each of these areas is backed by a set of tangible tactics to improve NYPA’s performance. In the environmental justice area, for example, NYPA has set higher goals for individuals in internships or scholarship programs, the percentage of underrepresented groups participating in internship programs, community volunteer opportunities, and investment in environmental justice communities.

We have a LOW to MODERATE risk appetite regarding:

- Investment in Pursuit of DEI Objectives

WE WILL:

- Provide detailed communication regarding our DEI goals
- Provide sufficient resources to achieving our goals
- Measure our performance in internship programs, growth in underrepresented groups in internship programs, and investment in EJ communities against goals
- Encourage and achieve greater supplier diversity
- Prioritize our investments to those areas that can provide the greatest value
- Be an industry leader with respect to adopting DEI objectives and performance
- Make investments that will improve our DEI posture
11. Extreme Weather Risks

Overall Risk Appetite: Low/Moderate Appetite for Risk

**Definition:** Events or circumstances driven by climate change that threaten the financial viability of Authority assets and compromise investment opportunities

**Overview:** Climate change has and will continue to have significant impacts to the economic viability of NYPA assets. These impacts are a result of not only natural events, such as poor hydrological conditions, flooding, storms, and high wind, but also a result of regional, national, and world-wide policies on mitigating the risks of climate change. The subsidies provided to encourage the growth of renewables, as well as low natural power prices, has reduced overall energy prices in New York and has negatively impacted the economics of even NYPA’s carbon-free hydro facilities. The economic viability of the NYPA fossil plants has been impacted by the same factors. Additionally, state energy policy is limiting the service lives of the Authority’s fossil plants. NYPA must plan accordingly to manage these risks through the economic operation of our assets, extensive stakeholder management to help guide regulatory policies, and to consider long-term goals when applying short-term decisions. Because of the uncertainty in future state and federal responses to climate change, our planning should include scenario analysis. With the relatively low level of risk tolerance, considerable investments may be required. However, the investments can be phased in over the next fifteen to twenty years to match the timelines for clean energy objectives.

We have a **LOW to MODERATE** risk appetite regarding:

- Threat to NYPA Assets and Investment Opportunities from Climate Change

**WE WILL:**

- Implement strategies to operate our plants more economically
- Continue our efforts at stakeholder management to help shape and influence regulatory policies
- Consider long-term goals when applying short-term decisions
- Better support our decisions through strategic scenario analyses to consider alternative state and federal energy policies impacted by climate change
- Continue our heavy emphasis on sustainability throughout our operations
- Improve the resilience of our operation to withstand adverse weather events
12. **Talent Management and Labor Relations Risks**

**Overall Risk Appetite:** Low/Moderate Increasing Towards Moderate Risk

**Definition:** Events or circumstances that impact the ability of the Authority to attract and retain qualified labor resources or effectively manage its bargaining unit agreements.

**Overview:** We continue to support efforts to retain and attract the skilled resources we need to help NYPA achieve its mission and strategic objectives. We have operated with a low to moderate risk appetite and will continue to do so, investing resources within our ability, given state-driven limitations, to offer competitive salaries and benefits as well as training and career path guidance. We will continue to offer growth opportunities within the Authority to further advance the skills and breadth of knowledge of our employees. Recognizing how many companies have learned to operate effectively in a remote environment during the pandemic, we will adopt policies that are necessary in the future to compete effectively in the attraction and retention of our workforce. Regarding our bargaining unit agreements, there are two aspects that impact our ability to operate efficiently and effectively. One aspect is the lack of flexibility in our job titles and job duties. This is especially true in the Canal Corporation where job titles and job duties are too specific and do not allow for sufficient flexibility when work requirements vary during the year. These conditions also exist to some extent in NYPA’s core business. The second aspect is the historical practice of managing to the existing contracts very conservatively. There has not been a perceived risk tolerance for applying more flexibility in the use of company resources. We will be more aggressive on both aspects – rewriting our job descriptions to build more flexibility in how we use our resources and adopting a less conservative approach to managing under our existing contracts to introduce more flexibility. We will be more tolerant of the challenges we face when we pursue these policies and practices.

We have a **LOW to MODERATE risk appetite** regarding:

- **Attract and Retain Key Labor Resources Considering Capacity and Competency**

We have a **MODERATE risk appetite** regarding:

- **Building Flexibility in Bargaining Unit Agreements**

**WE WILL:**

- Adapt to the ever-evolving needs and demands of the industry by continuing to invest in people and programs that attract and retain talent
- Strike the right balance of work practices to maintain market competitiveness
- Continue to provide career development opportunities to employees through training and education
- Work aggressively to advance the development job functions that allow greater flexibility in the use of our labor-force resources
APPENDIX A:

Reputational Risk Policy

I. Summary

This Reputational Risk Policy (the “Policy”) applies to the management of reputational risk for New York Power Authority (“NYPA”) and all of its business units, legal entities, and operations (collectively “NYPA/Canals”). This Policy outlines the processes for the identification, assessment, control, monitoring, and reporting of reputational risk at NYPA/Canals. The Policy applies to all strategies, services, events, and activities that subject NYPA/Canals to reputational risk. This Policy applies to all directors, officers, employees, and contractors of the Authority.

II. Purpose and Scope

The purpose of this Policy is to outline how reputational risk impacts management’s strategic decisions, as well as how NYPA/Canals approaches the assessment of reputational risks inherent in its choice of services, business operations, execution and interactions with customers, regulatory agencies, employees, and key stakeholders in the course of doing business. Reputational risk is typically the result of an event that impacts the other major risk types that NYPA/Canals is subject to strategic/business, financial, operational, and regulatory/compliance risks.

III. Legal / Regulatory

NYPA/Canals is committed to conducting its activities in accordance with the highest ethical standards and applicable laws and regulations.

The Authority also strives to create a safe workplace, protect the environment, and foster a fair and diverse work environment. Accordingly, this Policy should be read in conjunction with the other corporate policies, in particular the Risk Appetite Statement, Code of Conduct, and Delegation of Authority.

IV. Reputational Risk Policy

A strong, cohesive, and integrated governance structure for managing corporate communications, including social media initiatives, as well as a cross-departmental escalation and crisis communication plan provides an integrated approach to managing reputational risk.

a. Definition of Reputational Risk

Reputational risk is the potential business and economic impact due to negative opinion as viewed by NYPA/Canals stakeholders, including customers, employees, rating agencies, and the public. Reputational risk is often a second-order impact from other risk events. It is also affected by NYPA’s response to such events and communication with stakeholders.

Reputational risk emerges as a result of other various risk types as previously defined in the Risk Appetite statement, including Strategic/Business, Financial risk, Operational risk, and Regulatory/Compliance risk.
In addition, reputational risk can emerge in other ways, including but not limited to:

Errors in communicating with the investor community or the public at large. The perception of customers or other external parties, such as debt holders, external analysts, rating agencies, regulators, and mass media, based on their experiences dealing with NYPA.

V. Roles and Responsibilities

The roles and responsibilities for the Policy are as follows:

- **Board of Trustees**: reviewing, challenging, and approving this Policy on at least an annual basis; and providing oversight.
- **Risk and Resilience**: providing oversight and administration of this Policy, including and monitoring compliance with this Policy and providing reports to management and the Board.
- **Business and operating units**: identifying, assessing, managing reputational risks, and reporting those risk to the Risk and Resilience function.
- **Corporate Communications**: overseeing and facilitating widely distributed internal and external communications.
- **Legal/compliance function**: advising the board and management with respect to potential legal or other liability that could impact the Authority’s reputation.
- **Human Resources**: ensuring that employees read, understand, and acknowledge the Policy and related documents, and providing training programs that will inform employees of the value placed on ethical behavior.
- **Internal audit**: planning and conducting internal audits of processes that impact reputational risks and providing such audit reports to the Audit Committee of the Board of Trustees.
Historical Lookback on Hedging Strategy

Bryan Chan
Director, Market Analysis & Hedging
Hedging Dampens Price Volatility

In a rising market, there will be missed upside opportunity. It’s important to stay the course once a strategy has been adopted to stabilize revenue and minimize downside risk.

In a declining market, hedges will provide protection. It mitigates (not eliminate) downside risk.
Prior Year Lookback on Hedging Cost

**Observations**

- **2019** – (+$15M) Hedges are in-the-money - Softer gas prices due to a mild winter resulted in lower power prices.

- **2020** – (+$50M) Hedges are in-the-money - COVID impact drove power price down, as well as another mild winter.

- **2021** – (-$30M) Hedges are out-the-money - Rise in gas and power prices.

**Note:**

Hedge settlements are defined as non-NYISO physical and financial executed transactions.

Data sources, Accounting Department for 2019 & 2020, Allegro estimates for 2021 (as of 11/30/2021)
2f. Cyber & Physical Security Committee Report: (Chair Michael Balboni)

[Oral Report Only]
Date: January 25, 2022

To: TRUSTEES

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Award of Fund Benefits from the Northern New York Economic Development Fund Recommended by the Northern New York Power Proceeds Allocation Board

SUMMARY

The Trustees are requested to accept the recommendations of the Northern New York Power Proceeds Allocation Board (the “Allocation Board”) and make awards of Fund Benefits from the Northern New York Economic Development Fund to Woodcrest RNG, LLC (“Woodcrest” or “Applicant”) and authorize the other actions described herein with respect to the applicant and recommended award. The Applicant’s project and the amount of the award being recommended is summarized in Exhibit “A” and discussed in further detail below and in Exhibit “A-1”.

BACKGROUND

1. Northern New York Power Proceeds Allocation Act

The Northern New York Power Proceeds Allocation Act (the “Act”) became law on December 29, 2014. The Act adds provisions to two chapters of consolidated law, the Economic Development Law (“EDL”), and the Public Authorities Law within the Power Authority Act, the enabling statute of the New York Power Authority (“NYPA”) (collectively, the “Statutes”). As discussed in more detail below, the Act creates a program, administered by NYPA and the Board, to support economic development in Northern New York (“Program”). Under the Program, financial assistance known as “fund benefits” may be awarded to “eligible applicants” for “eligible projects” based on criteria set forth in the Statutes.

Under the Act, an “eligible applicant” is a private business, including a not-for-profit corporation that is a private business. “Eligible projects” is defined to mean “economic development projects” that are or would be physically located within St. Lawrence County that will support the growth of business in St. Lawrence County and thereby lead to the creation or maintenance of jobs and tax revenues for the state and local governments. “Eligible projects” include, for example, capital investments in buildings, equipment, and associated infrastructure owned by an eligible applicant; transportation projects under state or federally approved plans; the acquisition of land needed for infrastructure; research and development where the results of such research and development will directly benefit New York State; support for tourism and marketing and advertising efforts for St. Lawrence County tourism and business; and energy-related projects.
Eligible projects do not include, and fund benefits may not be used for, public interest advertising or advocacy; lobbying; the support or opposition of any candidate for public office; the support or opposition to any public issue; legal fees related to litigation of any kind; expenses related to administrative proceedings before state or local agencies; or retail businesses as defined by the board, including without limitation, sports venues, gaming and gambling or entertainment-related establishments, residential properties, or places of overnight accommodation.

NYPA and the Town of Massena Electric Department are parties to a contract that provides for NYPA’s sale of up to 20 megawatts (“MW”) of hydropower known as “St. Lawrence County Economic Development Power” (“SLCEDP”) to the Town. As detailed in the Statutes, NYPA is authorized to sell unallocated SLCEDP into the market to generate revenue for the Program. The Statutes provide that NYPA will deposit proceeds from such sales into the Fund no less than quarterly.

At least 15% percent of the Fund is dedicated to eligible projects which are “energy-related projects, programs and services,” which are defined as “energy efficiency projects and services, clean energy technology projects and services, and high performance and sustainable building programs and services, and the construction, installation and/or operation of facilities or equipment done in connection with any such projects, programs or services.”

Monies from the Fund – known as “fund benefits” – are paid to awardees in the form of grants, and staff expects that in most cases fund benefits will be disbursed as reimbursement for expenses incurred by an awardee. Allocations of fund benefits may only be made on the basis of monies that have been deposited in the Fund. No award may encumber funds that have not been deposited in the Fund.

2. **Northern New York Power Proceeds Allocation Board**

Under the Act, the Allocation Board’s primary responsibilities regarding applications for fund benefits under the Program are to (i) administer the application process, (ii) make determinations relating to eligibility, and (iii) where an applicant and project are eligible, evaluate applications against the statutory criteria and make a recommendation to the NYPA Board of Trustees on whether an applicant should be awarded fund benefits. The Allocation Board uses the criteria applicable to EP, RP and PP allocations, and for revitalization of industry, provided for in Public Authorities Law § 1005.

Additionally, the Allocation Board is authorized to consider the extent to which an award of fund benefits is consistent with the strategies and priorities of the North Country Regional Economic Development Council, which covers the region in which eligible projects may be proposed.

At its meeting on January 25, 2017, the Allocation Board, in accordance with the Act, adopted by-laws, operating procedures, guidelines related to the application, and a form of application. A copy of the relevant criteria (collectively, “Program Criteria”), adapted from the Allocation Board’s “Procedures for the Review of Applications for Fund Benefits,” is attached as Exhibit “B” to this memorandum.

Under the Act, a recommendation for Fund Benefits by the Allocation Board is a prerequisite to an award of Fund Benefits by the Authority, and the Act authorizes the Authority
to award Fund Benefits to an applicant upon a recommendation of the Allocation Board. Upon a showing of good cause, the Authority has discretion as to whether to adopt the Allocation Board’s recommendation, or to award benefits in a different amount or on different terms and conditions than proposed by the Allocation Board. In addition, the Authority is authorized to include within the contract covering an award (“Award Contract”) such other terms and conditions the Authority deems appropriate.

3. Application Process

In an effort to provide for the efficient review of applications and disbursement of Fund Benefits, the Allocation Board established a schedule of dates through the end of 2019 on which the Allocation Board would meet to consider applications. At this time, applications are being accepted on a rolling basis. A webpage was created that is hosted on WWW.NYPA.GOV/NNYPPAB with application instructions, a link to the approved application form and other program details including a contact phone number and email address staffed by NYPA.

DISCUSSION

At its April 14, 2021 meeting, the Allocation Board considered an application from Woodcrest seeking $600,000 in Fund Benefits.

Allocation Board staff analyzed the application and made recommendations to the Allocation Board based on eligibility requirements and Program Criteria. The Program Criteria are described in Exhibit “B”. A copy of the recommendation memoranda provided to the Allocation Board for Woodcrest is attached as Exhibit “A-1”. The application has also been made available to the Trustees for review.

As detailed in Exhibit “A-1”, the Woodcrest application seeks Fund Benefits to support construction of a pipeline to support a waste-to-energy project in Lisbon, New York. Woodcrest will collect manure from 3 dairy farms and transport the manure to a fourth farm where it will be processed into biogas using anaerobic digesters. The biogas will be upgraded and cleaned using a biogas processing facility to produce pipeline-quality renewable natural gas (RNG) that will be sold into the natural gas marketplace to help reduce carbon emissions. The Applicant indicates that it would spend approximately $13.4M on this project. Because this project is energy related, NYPA would be able to access the component of the Fund reserved for energy-related projects, programs and services.

The Allocation Board has recommended the Applicant receive a Fund Benefit award in the amount indicated on Exhibit “A”. The Board also determined that its recommendation should not be forwarded to Trustees for action until the completion of any review required under the State Environmental Quality Review Act (“SEQR”) process.

On December 2, 2021, the Authority, as SEQR lead agency, determined that the project will result in no significant impacts on the environment and issued a negative declaration under SEQR. The Allocation Board’s recommendation has now been forwarded to the Trustees for consideration.
If this Applicant receives a Fund Benefit award, it is anticipated that Authority staff would negotiate final terms and conditions with the applicant after receipt of more detailed information concerning the project and proposed schedules. Award Contracts may include scheduled payments keyed to commitment milestones, such as employment creation and retention. In addition, staff anticipates that Award Contracts will contain provisions for periodic audits of the successful applicants for the purpose of determining contract and program compliance and, where appropriate, terms providing for the partial or complete recapture of Fund Benefits disbursements if an applicant fails to maintain agreed-upon commitments.

RECOMMENDATION

The Senior Vice President, Clean Energy Solutions recommends that:

(1) the Trustees accept the recommendation of the Allocation Board and make an award of Fund Benefits to Woodcrest in the amount recommended in Exhibits “A” and “A-1”, conditioned upon an agreement to be negotiated with the applicant on the final terms and conditions that would be applicable to the award to be contained in the Award Contract approved by the Interim President and Chief Executive Officer, or his designee, and approved by the Interim Executive Vice President and General Counsel, or her designee, as to form;

(2) the Executive Vice President and Chief Commercial Officer, or such official's designee, be authorized to negotiate with the Applicant concerning such final terms and conditions that will be applicable to the award; and

(3) the Executive Vice President and Chief Commercial Officer, or such official's designee, be authorized to execute on behalf of the Authority an Award Contract for the award listed on Exhibits “A” and “A-1” subject to the foregoing conditions.

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

Justin E. Driscoll
Interim President and Chief Executive Officer
WHEREAS, The Northern New York Power Proceeds Allocation Board ("Allocation Board") has recommended that the Authority make an award of Fund Benefits from the Northern New York Economic Development Fund ("Fund") to the eligible applicant listed in Exhibit “A” in the amount indicated in Exhibit “A”;

NOW THEREFORE BE IT RESOLVED, That the Authority hereby accepts the recommendation of the Allocation Board and authorizes an award of Fund Benefits to the applicant listed in Exhibits “A” and “A-1” in the amount indicated for the reasons set forth in the attached memorandum and the exhibit and other information referred to therein, conditioned upon an agreement between the Authority and the applicant on the final terms and conditions that would be applicable to the award and set forth in a written award contract ("Award Contract") between the Authority and each applicant, approved by the Interim President and Chief Executive Officer, or his designee, and approved by the Interim Executive Vice President and General Counsel or her designee, as to form; and be it further

RESOLVED, That the Executive Vice President and Chief Commercial Officer, or such official’s designee, is authorized to negotiate with the applicant concerning such final terms and conditions that will be applicable to the award; and be it further

RESOLVED, That the Executive Vice President and Chief Commercial Officer, or such official’s designee, is authorized to execute on behalf of the Authority an Award Contract for the award listed on Exhibit “A” subject to the foregoing conditions; and be it further
RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.
## Applicants Recommended for an Award of Fund Benefits by the NNY Proceeds Allocation Board

<table>
<thead>
<tr>
<th>Line</th>
<th>Business</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>Project Description</th>
<th>Project Type</th>
<th>Recommended Award Amount</th>
<th>Total Project Cost</th>
<th>Jobs Retained</th>
<th>Jobs Created</th>
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<td>1</td>
<td>Woodcrest RNG, LLC</td>
<td>Ogdensburg</td>
<td>SLC</td>
<td>North Country</td>
<td>Business Start-up</td>
<td>Agriculture</td>
<td>$300,000</td>
<td>$13,423,810</td>
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</table>

**Total:**

- Recommended Award Amount: $300,000
- Total Project Cost: $13,423,810
- Jobs Retained: N/A
- Jobs Created: N/A

**Total Jobs Created & Retained:** N/A

January 25, 2022
Northern New York Economic Development Fund Recommendation Memo

EXHIBIT A-1
January 25, 2022

Applicant Name: Woodcrest RNG, LLC ("Woodcrest")
Project Type: Agriculture
Industry: Dairy Farm
Amount Requested: $600,000

RECOMMENDED OFFER
Recommended Total Award: $300,000
Total Project Cost: $13,423,810

% of Project Cost Recommended: 2%

PROJECT BUDGET (Proposed by Applicant)

<table>
<thead>
<tr>
<th>Use of funds</th>
<th>Amount</th>
<th>Source of Funds</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Biogas Processing &amp; Upgrading Equip.</td>
<td>$8,604,600</td>
<td>NNYEDF</td>
<td>$600,000</td>
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<tr>
<td>Building, Reception Tank, Piping</td>
<td>$2,333,232</td>
<td>Private Investor</td>
<td>$12,823,810</td>
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<tr>
<td>Working Capital</td>
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<td></td>
</tr>
<tr>
<td>Installation Mgt. &amp; Construction</td>
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<td></td>
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<tr>
<td>Closing, Legal &amp; Permit Costs</td>
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<tr>
<td><strong>Total:</strong></td>
<td>$13,423,810</td>
<td><strong>Total:</strong></td>
<td>$13,423,810</td>
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</table>

REGIONAL IMPACT MEASUREMENTS
Job Commitments:
The Funding Track under which the application was submitted does not require job-related commitments.

Average Salary of Jobs: n/a

Indirect Jobs Created n/a

Other Impact

PROJECT DESCRIPTION (Adapted from Application)

Woodcrest is a Limited Liability Company that was established in April of 2020. It is 100% owned by BerQ RNG USA, which is a wholly owned subsidiary of BerQ RNG, Inc. (Ontario, Canada), that was established in March 2020 to hold investments in USA located RNG projects. Woodcrest intends to sign a 20-year Right of Access Agreement with a Lisbon, NY dairy farm where it will construct a waste-to-energy management solution by collecting manure from 3 adjacent dairy farms and transporting it through a pipeline to the Lisbon farm where it will be processed into biogas using anaerobic digesters. The biogas will be upgraded and cleaned using a biogas processing facility to produce pipeline-quality renewable natural gas (RNG) that will be sold into the natural gas marketplace to help reduce carbon emissions.
## Northern New York Economic Development Fund Recommendation Memo

**EXHIBIT A-1**

**January 25, 2022**

<table>
<thead>
<tr>
<th>OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
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</table>

<table>
<thead>
<tr>
<th>PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED</th>
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<tbody>
<tr>
<td>TYPE</td>
</tr>
<tr>
<td>N/A</td>
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</table>

### BASIS FOR RECOMMENDATION

The project:

- Includes the construction of significant infrastructure, which is inherently costly particularly as measured on a per unit of energy produced basis. An award from the fund will help mitigate high capital costs and improve profitability;

- Is expected to generate 150,000 MMBtu of RNG from dairy manure biogas, which will replace natural gas generated from fossil fuel thereby eliminating CO2 emissions. According to the EPA, methane gas is 21 times more potent than carbon dioxide and accounts for 16% of global emissions;

- Aids farmers by creating alternative revenue streams, implementing more efficient manure management strategies that will reduce methane released into the atmosphere from waste lagoons by diverting it to an anaerobic digester, and eliminating manure trucking costs;

- Will result in a capital investment in the North Country of $13.4M and, although not required by the funding track, the creation of 2 full time positions offering an annual wage of $70K. A Fund Benefits award also encourages Foreign Direct Investment in St. Lawrence County from a Canadian energy company;

- Aligns well with NCREDC strategies and priorities calling for the support of regional agriculture, broadening the North Country’s economic connections with Canada and enhancing economic development in renewable energy generation from dairy farms.

### ANTICIPATED DISBURSEMENT TERMS

Fund Benefits would be used to reimburse the applicant for a portion of costs associated with constructing the manure pipeline indicated above. It is anticipated that funds will be disbursed in arrears and payment will be made upon presentation to NYPA of invoices and such other documentation acceptable to NYPA verifying the applicant has completed the project and incurred eligible expenses of approximately $13,423,810.
Criteria adapted from the “Board Procedures, and Board Policies Relating to the Review of
Applications for Fund Benefits”, adopted by the Northern New York Power Proceeds
Allocation Board

1. The extent to which an award of Fund Benefits would be consistent with the strategies
and priorities of the North Country Regional Economic Development Council (“NCREDC”).
Such strategies and priorities include the following:
   • Energize our communities by building on growth in the aerospace, transit
     equipment, defense, biotech, energy, and manufacturing industries
   • Leverage our gateway to Canada, the nation’s largest trading partner, to lead the
     State in global investment
   • Attract and nurture entrepreneurs through innovation to catalyze the highest per
     capita rate of small business start-ups and expansions in the state
   • Invest in community development infrastructure that expands opportunities and
     capacity
   • Innovate effective rural healthcare and education delivery networks
   • Elevate global recognition of the region as one of the special places on the planet
     to visit, live, work and study
   • Activate tourism as a driver to diversify our economies by creating demand to
     accelerate private investment
   • Invest in agriculture as we help feed the region and the world
   • Create the greenest energy economy in the state

2. Whether the eligible project would occur in the absence of an award of Fund Benefits.
3. The extent to which an award of Fund Benefits will result in new capital investment in the
   State by the eligible applicant and the extent of such investment.
4. Other assistance the eligible applicant may receive to support the eligible project.
5. The type and cost of buildings, equipment and facilities to be constructed, enlarged or
   installed if the eligible applicant were to receive an award of Fund Benefits.
6. The eligible applicant's payroll, salaries, benefits and number of jobs at the eligible project
   for which an award of Fund Benefits is requested.
7. Where applicable, the number of jobs that will be created or retained within St. Lawrence
   County and any other parts of the State in relation to the requested award of Fund
   Benefits, and the extent to which the eligible applicant will agree to commit to creating
   or retaining such jobs as a condition to receiving an award of Fund Benefits.
8. Whether the eligible applicant is at risk of closing or curtailing facilities or operations in
   St. Lawrence County and other parts of the State, relocating facilities or operations out of
St. Lawrence County and other parts of the State, or losing a significant number of jobs in St. Lawrence County and other parts of the State, in the absence of an award of Fund Benefits.1

9. The significance of the eligible project that would receive an award of Fund Benefits to the economy of the area in which such eligible project is located.

10. For new, expanded and/or rehabilitated facilities, the extent to which the eligible applicant will commit to implement or otherwise make tangible investments in energy efficiency measures as a condition to receiving an award of Fund Benefits.2

1 Job creation and retention are key indicators of economic activity. However, the Allocation Board recognizes that certain investments may increase productivity and revitalize areas without immediately increasing permanent employment. Therefore, job creation/retention commitments will be emphasized primarily in the Business Investment Track. While job creation and retention may not be a significant factor for other Tracks, demonstration of economic development benefits to the Region will generally be considered favorably when assessing applications under all Tracks.

2 As provided for in Economic development Law § 197-c(4), many of the criteria are adapted from criteria used in determining eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law (“PAL”) § 1005(13). Certain criteria identified in PAL § 1005(13) are relevant to power allocations under these programs and do not have any logical application to the allocation of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits.
Memorandum

Date: January 25, 2022
To: THE TRUSTEES
From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER
Subject: Expansion Power Allocations

SUMMARY

The Trustees are requested to:

1. Approve: (a) an allocation of 2,930 kilowatts ("kW") of Expansion Power ("EP") to LW1 Operator, LLC ("LW1") to support the company's development of a 75,000 square-foot manufacturing facility at 310 Ship Canal Parkway, Buffalo (Erie County); and (b) an allocation of 400 kW of EP to Niagara Refining LLC ("Niagara Refining") to support the company's proposed expansion at 5601 Transit Road, Depew (Erie County). These projects are discussed in more detail below and in Exhibits “A” and “B”.

2. Authorize a public hearing, in accordance with Public Authorities Law ("PAL") § 1009, on a proposed form of contract ("Proposed Contract") with LW1 that would, along with Authority Service Tariff No. WNY-2 ("ST WNY-2"), apply to the sale of EP to LW1. Copies of the Proposed Contract and ST WNY-2 are attached as Exhibit “A-1”.

BACKGROUND

Under PAL §1005(13), the New York Power Authority ("NYPA" or “Authority”) may contract to allocate 250 megawatts ("MW") of firm hydropower as EP and up to 445 MW of Replacement Power ("RP") to businesses in the State located within 30 miles of the Niagara Power Project, provided that the amount of power allocated to businesses in Chautauqua County on January 1, 1987 shall continue to be allocated in such county.

Each application for an allocation of EP and RP are evaluated under criteria that include but need not be limited to, those set forth in PAL §1005(13)(a), which details general eligibility requirements. Among the factors to be considered when evaluating a request for an allocation of hydropower are the number of jobs created as a result of the allocation; the business’ long-term commitment to the region as evidenced by the current and/or planned capital investment in the businesses’ facilities in the region; the ratio of the number of jobs to be created to the amount of power requested; the types of jobs to be created, as measured by wage and benefit levels, security and stability of employment, and the type and cost of buildings, equipment and facilities to be constructed, enlarged or installed.

The Authority works closely with business associations, local distribution companies, and economic development entities to gauge support for the projects that would be supported with allocations of Authority hydropower. Discussions routinely occur with National Grid, New York State Electric & Gas, Empire State Development, Invest Buffalo Niagara, the Niagara
County Center for Economic Development, and the Erie County Industrial Development Agency (collectively, the “Economic Development Entities”) to coordinate other economic development incentives that may help bring economic development to New York State. Staff confers with the Economic Development Entities to help maximize the value of hydropower to improve the economy of Western New York and the State of New York. Each organization has expressed support for today’s recommended EP allocations.

At this time, 21,945 kW of unallocated EP and 139,579 kW of unallocated RP is available to be awarded to businesses under the criteria set forth in PAL §1005(13)(a).

**DISCUSSION**

**LW1 Operator, LLC**

LW1 is proposing to develop a 75,000 square-foot cannabis production facility in Buffalo. The facility would produce raw cannabis flower, oils, edibles, and extracts.

The project includes activities related to cannabis manufacturing, cultivation, packaging, and distribution. The company would comply with all New York State cannabis regulations and licensing laws.

LW1 represents the initial applicant considered under the Diversity, Equity, and Inclusion (“DEI”) Evaluation and Incentive Plan approved by the Trustees on December 7, 2021. The plan allows for the consideration of positive DEI impacts when evaluating power allocations.

LW1’s proposed project site meets the qualifying criteria as a disadvantaged community in New York State. In addition, the company plans to hire Minority and/or Women Owned Business Enterprises to complete the project’s construction requirements.

LW1’s expansion project would involve a capital investment expenditure of at least $24.2 million. This includes land acquisition and construction costs (a capital investment expenditure of at least $16.7 million), and machinery and equipment purchases (a capital investment expenditure of at least $7.5 million).

LW1 is planning to begin construction on the project in 2022. The company would commit to the creation of 75 new, permanent, full-time jobs at the proposed Buffalo facility. Average annual compensation/benefits are estimated to be $86,150 per job.

The company applied for a 4,000 kW allocation of hydropower in connection with the expansion. Staff recommends an EP allocation in the amount of 2,930 kW for a term of ten years.

The job creation ratio for the proposed allocation of 2,930 kW is 26 new jobs per MW. This ratio is below the historic average of 65 new jobs per MW based on allocations previously awarded. The total investment of at least $24.2 million would result in a capital investment ratio of $8.3 million per MW. This ratio is below the historic average of $18.1 million per MW.

The Economic Development Entities have expressed support for the recommended allocation to LW1.
Niagara Refining LLC

Established in 2010, Niagara Refining is a manufacturer of tungsten raw materials based in Depew. The company processes tungsten concentrates and industrial scraps ultimately used in the manufacturing of finished tungsten products.

Niagara Refining is a current NYPA hydropower customer receiving a 2,500 kW RP allocation with associated commitments of 50 jobs and $250,000 in capital spending.

The company is proposing to complete a multifaceted expansion project at its Depew facility which includes the installation of several critical systems. The expansion project also includes the conversion of raw materials into finer particles for processing.

Niagara Refining anticipates that the project would improve efficiencies, allow for the use of recycled raw materials, and reduce ammonia emissions at the site.

The company's expansion project would involve a capital investment expenditure of at least $8.3 million. This includes a hard metal scrap treatment system (a capital investment expenditure of at least $4.2 million), a low-grade pre-treatment system (a capital investment expenditure of at least $1.7 million), an ammonia decomposition system (a capital investment expenditure of at least $1.9 million), a reclaiming system (a capital investment expenditure of at least $0.25 million), and the purchase of hammer mill equipment (a capital investment expenditure of at least $0.25 million).

Niagara Refining is planning to complete the expansion project in 2022. The company would commit to the creation of 4 new, permanent, full-time jobs that would be located at the Depew facility. The average compensation/benefits are estimated to be $50,000 per job.

The company applied for a 670 kW allocation of hydropower in connection with the expansion. Staff recommends an EP allocation in the amount of 400 kW for a term of ten years.

The job creation ratio for the proposed allocation of 400 kW is 10 new jobs per MW. This ratio is below the historic average of 65 new jobs per MW based on allocations previously awarded. The total investment of at least $8.3 million would result in a capital investment ratio of $20.8 million per MW. This ratio is above the historic average of $18.1 million per MW.

The Economic Development Entities have expressed support for the recommended allocation to Niagara Refining.

CONTRACT INFORMATION

The following is a summary of some of the matters that would be addressed in ST WNY-2 and the Proposed Contract with LW1:

- Base rates for demand and energy, an annual adjustment factor, and a minimum monthly charge which helps the Authority cover fixed costs of serving a customer even when the customer does not utilize the allocation in a billing period.

- Direct billing of all production charges (i.e., demand and energy) as well as all New York Independent System Operator, Inc. charges, taxes and any other required assessments.
The provision of substitute energy in the event of hydropower curtailments caused by adverse water conditions that impact power project operations.

Basic requirements for customer metering.

Early outreach to the customer concerning allocation extension initiatives by the Authority.

Requirements for energy audits at the facility receiving the allocation. The customer would have the option to satisfy the audit requirement through either a traditional physical audit, or a virtual audit using the Authority’s New York Energy Manager which is expected to provide considerable savings for customers who select it.

Periodic communications to customer about energy-related projects, programs and services offered by the Authority.

Compliance provisions that allow the Authority to reduce a customer’s allocation for a failure to meet supplemental commitments, with an opportunity for the customer to present a proposed plan with actionable milestones to cure deficiencies.

The collection of a Zero Emission Credit Charge and Monthly Renewable Energy Credit Charge to allow the Authority to recover costs it incurs relating to its purchase of Zero Emission Credits and Renewable Energy Credits attributable to the customer’s load.

Staff intends to discuss the form of the Proposed Contract with LW1 and anticipates reaching agreement on a contract substantially similar to the form attached as Exhibit “A-1”. Accordingly, the Trustees are requested to authorize a public hearing, pursuant to PAL §1009, on the form of the Proposed Contract attached as Exhibit “A-1”. The form of the Proposed Contract is consistent with recently approved contracts for the sale of EP and RP. If approved, the new allocation to Niagara Refining would be added to the customer’s existing hydropower contract. ST WNY-2 would also apply to the sale of the allocation.

As required by PAL §1009, when the Authority believes it has reached agreement with its prospective co-party on a contract for the sale of EP or RP, it will transmit the proposed form of the contract to the Governor and other elected officials, and hold a public hearing on the contract. At least 30-days’ notice of the hearing must be given by publication once in each week during such period in each of six selected newspapers. Following the public hearing, the form of the contract may be modified, if advisable. Staff will report to the Board of Trustees on the public hearing and the Proposed Contract at a later time and make any additional recommendations regarding the Proposed Contract as are appropriate.

Upon approval of the final Proposed Contract by the Authority, the Authority must “report” the Proposed Contract, along with its recommendations and the public hearing records, to the Governor and other elected officials. Upon approval by the Governor, the Authority is authorized to execute the final contract.

FISCAL INFORMATION

The actions recommended herein will not have a negative impact on the Authority’s finances.
RECOMMENDATION

The Senior Vice President, Clean Energy Solutions, recommends that the Trustees:

1. Approve an allocation of 2,930 kW of EP to LW1 as described herein and in Exhibit “A” for a term of ten years; and approve an allocation of 400 kW of EP to Niagara Refining as described herein and in Exhibit “B” for a term of ten years.

2. Authorize a public hearing, in accordance with PAL § 1009, on the Proposed Contract with LW1 attached as Exhibit “A-1”.

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

Justin E. Driscoll
Interim President and Chief Executive Officer
RESOLUTION

RESOLVED, That an allocation of 2,930 kilowatts of Expansion Power (“EP”) be awarded to LW1 Operator, LLC for a term of 10 years as detailed in the foregoing memorandum of the Interim President and Chief Executive Officer (“Memorandum”) and Exhibit “A”, be and hereby is approved, subject to rates previously approved by the Trustees; and be it further

RESOLVED, That an allocation of 400 kilowatts of EP be awarded to Niagara Refining LLC for a term of 10 years as detailed in the foregoing Memorandum and Exhibit “B”, be and hereby is approved, subject to rates previously approved by the Trustees; and be it further

RESOLVED, That the Trustees hereby authorize a public hearing pursuant to Public Authorities Law (“PAL”) §1009 on the terms of the proposed form of the direct sale contract with LW1 Operator, LLC for the sale of the EP allocation (the “Contract”), the current form of which is attached as Exhibit “A-1”; and be it further

RESOLVED, That the Corporate Secretary be, and hereby is, authorized to transmit a copy of the proposed Contract to the Governor, the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee pursuant to PAL §1009; 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.
**APPLICATION SUMMARY**  
Expansion Power ("EP")

**Company:** LW1 Operator, LLC ("LW1")  
**Location:** Buffalo, NY  
**County:** Erie County  
**IOU:** National Grid  
**Business Activity:** The company is proposing to establish a cannabis production facility in Buffalo.  
**Project Description:** LW1 would produce raw cannabis flower at the proposed project site in addition to other cannabis-based products such as oils, edibles, and extracts.  
**Existing Allocation(s):** None  
**Power Request:** 4,000 kW of EP  
**Power Recommended:** 2,930 kW of EP  
**Job Commitment:**  
- **Base:** 0  
- **New:** At least 75 jobs  
**New Jobs/Power Ratio:** 26 jobs/MW  
**New Jobs - Avg. Wage and Benefits:** $86,150  
**Capital Investment:** At least $24.2 million  
**Capital Investment/MW:** $8.3 million/MW  
**Other ED Incentives:** Incentives offered from National Grid, New York State Department of Environmental Conservation, and Erie County Industrial Development Agency  
**Summary:** LW1 is proposing the ground-up development of approximately 75,000 square feet of manufacturing space in Buffalo to serve as a cannabis production facility. The project would include activities related to cannabis manufacturing, cultivation, packaging, and distribution. The company anticipates raw cannabis flower to serve as the majority of its production output and will also produce other cannabis-based products. The project includes land acquisition and construction costs in addition to machinery and equipment purchases. The company would comply with all New York State cannabis-related regulations and licensing laws. An allocation of low-cost hydropower, along with other support offered for this project, could incentivize LW1 to consider additional expansion opportunities in Buffalo in the future.
POWER AUTHORITY

OF THE

STATE OF NEW YORK

30 South Pearl Street
10th Floor
Albany, New York 12207-3425

AGREEMENT FOR THE SALE
OF EXPANSION POWER AND/OR REPLACEMENT POWER

LW1 Operator, LLC
The POWER AUTHORITY OF THE STATE OF NEW YORK (“Authority”), created pursuant to Chapter 772 of the New York Laws of 1931 and existing under Title I of Article V of the New York Public Authorities Law (“PAL”), having its office and principal place of business at 30 South Pearl Street, 10th Floor, Albany, New York 12207-3425, hereby enters into this Agreement for the Sale of Expansion Power and/or Replacement Power (“Agreement”) with LW1 Operator, LLC (“Customer”) with offices and principal place of business at 310 Ship Canal Parkway, Buffalo, NY 14218. The Authority and the Customer are from time to time referred to in this Agreement as “Party” or collectively as “Parties” and agree as follows:

RECITALS

WHEREAS, the Authority is authorized to sell hydroelectric power produced by the Niagara Power Project, Federal Energy Regulatory Commission (“FERC”) Project No. 2216, including hydropower known as Expansion Power (“EP”) and Replacement Power (“RP”) to qualified businesses in accordance with PAL § 1005(5) and (13);

WHEREAS, the Customer has applied for an allocation of EP and/or RP, or for an extension of an existing allocation of EP or RP, for use at facilities defined in this Agreement as the “Facility”;

WHEREAS, the Customer has offered to make specific commitments relating to, among other things, the creation and/or retention of jobs, capital investments, power usage and energy efficiency measures at the Facility;

WHEREAS, the Authority’s Board of Trustees approved a allocation of EP and/or RP to the Customer;

WHEREAS, the Parties have reached an agreement on the terms and conditions applicable for the sale of the EP and/or RP for a term provided in this Agreement;

WHEREAS, the Authority’s provision of Electric Service under this Agreement is an unbundled service separate from (i) the transmission of the allocation, and (ii) the delivery of the Allocation;

WHEREAS, electric service to be provided hereunder shall be subject to the rates and other terms and conditions contained in the Service Tariff No. WNY-2 as provided in this Agreement;

WHEREAS, the Authority has complied with requirements of PAL § 1009, and has been authorized to execute the Agreement; and

WHEREAS, the Authority has complied with requirements of PAL § 1009, and has been authorized to execute the Agreement.

NOW, THEREFORE, in consideration of mutual covenants, terms, and conditions herein, and for other good and valuable consideration, the receipt and adequacy of which the Parties hereby acknowledge, the Parties do hereby mutually covenant and agree as follows:
ARTICLE I
DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Agreement, shall have the meanings as set forth below. When used with initial capitalization, whether singular or plural, terms defined in schedules or appendices to this Agreement shall have the meanings set forth in such schedules or appendices.

“Adverse Water Condition” means any event or condition, including without limitation a hydrologic or hydraulic condition, that relates to the flow, level, or usage of water at or in the vicinity of the Project and/or its related facilities and structures, and which prevents, threatens to prevent, or causes the Authority to take responsive action that has the effect of preventing, the Project from producing a sufficient amount of energy to supply the full power and energy requirements of firm power and firm energy customers who are served by the Project.

“Agreement” means this Agreement, and unless otherwise indicated herein, includes all schedules, appendices and addenda thereto, as the same may be amended from time to time.

“Allocation” refers to the allocation(s) of EP and/or RP awarded to the Customer as specified in Schedule A.

“Alternative REC Compliance Program” has the meaning provided in Schedule E.

“Annual Capital Investment Commitment” has the meaning set forth in Schedule B.

“Annual CI Expenditures” has the meaning set forth in Schedule B.

“Base Employment Level” has the meaning set forth in Schedule B.

“Contract Demand” is as defined in Service Tariff No. WNY-2.

“Customer-Arranged Energy” means energy that the Customer procures from sources other than the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment.

“Effective Date” means the date that this Agreement is fully executed by the Parties.

“Electric Service” is the Firm Power and Firm Energy associated with the Allocation and sold by the Authority to the Customer in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.

“Energy Services” has the meaning set forth in Article V of this Agreement.

“Expansion Power” (or “EP”) is 250 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(13).

“Expansion Project” has the meaning set forth in Section IV.3.a of this Agreement.
“Expansion Project Capital Investment Commitment” has the meaning set forth in Schedule B.

“Facility” means the Customer’s facilities as described in Schedule A to this Agreement.

“Firm Power” is as defined in Service Tariff No. WNY-2.

“Firm Energy” is as defined in Service Tariff No. WNY-2.

“FERC” means the Federal Energy Regulatory Commission (or any successor organization).

“FERC License” means the first new license issued by FERC to the Authority for the continued operation and maintenance of the Project, pursuant to Section 15 of the Federal Power Act, which became effective September 1, 2007 after expiration of the Project’s original license which became effective in 1957.

“Hydro Projects” is a collective reference to the Project and the Authority’s St. Lawrence-FDR Project, FERC Project No. 2000.

“International Joint Commission” or “IJC” refers to the entity with responsibility to prevent and resolve disputes between the United States of America and Canada under the 1909 Boundary Waters Treaty and pursues the common good of both countries as an independent and objective advisor to the two governments. The IJC rules upon applications for approval of projects affecting boundary or transboundary waters and may regulate the operation of these projects.

“Load Reduction” has the meaning set forth in Section IX.6 of this Agreement.

“Load Serving Entity” (or “LSE”) means an entity designated by a retail electricity customer (including the Customer) to provide capacity, energy and ancillary services to serve such customer, in compliance with NYISO Tariffs, rules, manuals and procedures.

“Metering Arrangement” has the meaning set forth in Section II.8 of this Agreement.

“NYEM” means the New York Energy Manager, an energy management center owned and operated by the Authority.

“NYEM Agreement” means a written agreement between the Authority and the Customer providing for the Facility’s enrollment and Customer’s participation in NYEM.

“NYEM Participation” has the meaning specified in Schedule B of this Agreement.

“NYISO” means the New York Independent System Operator or any successor organization.

“NYISO Charges” has the meaning set forth in Section VII.3 of this Agreement.
“NYISO Tariffs” means the NYISO’s Open Access Transmission Tariff or the NYISO’s Market Administration and Control Area Services Tariff, as applicable, as such tariffs are modified from time to time, or any successor to such tariffs.

“Planned Hydropower Curtailment” means a temporary reduction in Firm Energy to which the Customer is entitled to receive under this Agreement made by the Authority in response to an anticipated or forecasted Adverse Water Condition.

“Physical Energy Audit” or “Audit” means a physical evaluation of the Facility in a manner approved by the Authority that includes at a minimum the following elements: (a) an assessment of the Facility’s energy use, cost and efficiency which produces an energy utilization index for the Facility (such as an Energy Use Intensity or Energy Performance Indicator); (b) a comparison of the Facility’s index to indices for similar buildings/facilities; (c) an analysis of low-cost/no-cost measures for improving energy efficiency; (d) a listing of potential capital improvements for improving energy consumption; and (e) an initial assessment of potential costs and savings from such measures and improvements.

“Project” means the Niagara Power Project, FERC Project No. 2216.

“Replacement Power” (or “RP”) is 445 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(13).

“Reporting Year” means the yearly interval that the Authority uses for reporting, compliance and other purposes as specified in this Agreement. The Reporting Year for this Agreement is from January 1 through December 31, subject to change by the Authority without notice.

“Rolling Average” has the meaning set forth in Schedule B.

“Rules” are the applicable provisions of Authority’s rules and regulations (Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York), as may be modified from time to time by the Authority.

“Service Information” has the meaning set forth in Section II.12 of this Agreement.

“Service Tariff No. WNY-2” means the Authority’s Service Tariff No. WNY-2, as may be modified from time to time by the Authority, which contains, among other things, the rate schedule establishing rates and other commercial terms for sale of Electric Service to Customer under this Agreement.

“Schedule A” refers to the Schedule A entitled “Expansion Power and/or Replacement Power Allocations” which is attached to and made part of this Agreement.

“Schedule B” refers to the Schedule B entitled “Supplemental Expansion Power and/or Replacement Power Commitments” which is attached to and made part of this Agreement, including any appendices attached thereto.
“Schedule C” refers to the Schedule C entitled “Takedown Schedule” which is attached to and made part of this Agreement.

“Schedule D” refers to the Schedule D entitled “Zero Emission Credit Charge” which is attached to and made part of this Agreement.

“Schedule E” refers to the Schedule E entitled “Monthly Renewable Energy Credit Charge” which is attached to and made part of this Agreement.

“Substitute Energy” means energy that is provided to the Customer by or through the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment or an Unplanned Hydropower Curtailment.

“Takedown” means the portion of the Allocation that Customer requests to be scheduled for a specific period as provided for in Schedule C, if applicable.

“Taxes” is as defined in Service Tariff No. WNY-2.

“Unforced Capacity” (or “UCAP”) means the electric capacity required to be provided by LSEs to serve electric load as defined by the NYISO Tariffs, rules, manuals and procedures.

“Unplanned Hydropower Curtailment” means a temporary reduction in the amount of Firm Energy to which the Customer is entitled to receive under this Agreement due to Adverse Water Condition that the Authority did not anticipate or forecast.

“Utility Tariff” means the retail tariff(s) of the Customer’s local electric utility filed and approved by the PSC applicable to the delivery of EP and/or RP.

ARTICLE II
ELECTRIC SERVICE

1. The Authority shall make available Electric Service to enable the Customer to receive the Allocation in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.

2. The Customer shall not be entitled to receive Electric Service under this Agreement for any EP and/or RP allocation unless such EP and/or RP allocation is identified in Schedule A.

3. The Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation specified in Schedule A. If Schedule C specifies a Takedown Schedule for the Allocation, the Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation in accordance with such Takedown Schedule.

4. The Authority shall provide UCAP in amounts necessary to meet the Customer’s NYISO UCAP requirements associated with the Allocation in accordance with the NYISO Tariffs. The Customer shall be responsible to pay the Authority for such UCAP in accordance with Service Tariff No. WNY-2.
5. The provision of Electric Service associated with the Allocation is an unbundled service separate from the transmission and delivery of power and energy to the Customer. The Customer acknowledges and agrees that Customer’s local electric utility, not the Authority, shall be responsible for delivering the Allocation to the Facility specified in Schedule A in accordance with the applicable Utility Tariff(s).

6. The Contract Demand for the Customer’s Allocation may be modified by the Authority if the amount of Firm Power and Firm Energy available for sale as EP or RP from the Project is modified as required to comply with any ruling, order, or decision of any regulatory or judicial body having jurisdiction, including but not limited to FERC. Any such modification will be made on a pro rata basis to all EP and RP customers, as applicable, based on the terms of such ruling, order, or decision.

7. The Contract Demand may not exceed the Allocation.

8. The Customer’s Facility must be metered by the Customer’s local electric utility in a manner satisfactory to the Authority, or another metering arrangement satisfactory to the Authority must be provided (collectively, “Metering Arrangement”). A Metering Arrangement that is not satisfactory to the Authority shall be grounds, after notice to the Customer, for the Authority to modify, withhold, suspend, or terminate Electric Service to the Customer. If a Metering Arrangement is not made to conform to the Authority’s requirements within thirty (30) days of a determination that it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days’ prior written notice to the Customer. After commencement of Electric Service, the Customer shall notify the Authority in writing within thirty (30) days of any alteration to the Facility’s Metering Arrangement, and provide any information requested by the Authority (including Facility access) to enable the Authority to determine whether the Metering Arrangement remains satisfactory. If an altered Metering Arrangement is not made to conform to the Authority’s requirements within thirty (30) days of a determination it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days’ prior written notice to the Customer. The Authority may, in its discretion, waive any of the requirements provided for in this Section in whole or in part where in the Authority’s judgment, another mechanism satisfactory to the Authority can be implemented to enable the Authority to receive pertinent, timely and accurate information relating to the Customer’s energy consumption and demand and render bills to the Customer for all fees, assessments and charges that become due in accordance with this Agreement, Service Tariff No. WNY-2, and the Rules.

9. The Customer consents to the exchange of information between the Authority and the Customer’s local electric utility pertaining to the Customer that such parties determine is necessary to provide for the allocation, sale and delivery of the Allocation to the Customer, the proper and efficient implementation of the EP and/or RP program, billing related to Electric Service, and/or the performance of such parties’ obligations under any contracts or other arrangements between them relating to such matters. In addition, the Customer agrees to complete such forms and consents that the Authority determines are necessary to effectuate such exchanges of information.
10. The provision of Electric Service by the Authority shall be dependent upon the existence of a written agreement between the Authority and the Customer’s local electric utility providing for the delivery of the Allocation on terms and conditions that are acceptable to the Authority.

11. The Customer understands and acknowledges that the Authority may from time to time require the Customer to complete forms, execute consents, and provide information (collectively, “Service Information”) that the Authority determines is necessary for the provision of Electric Service, the delivery of the Allocation, billing related to Electric Service, the effective administration of the EP and/or RP programs, and/or the performance of contracts or other arrangements between the Authority and the Customer’s local electric utility. The Customer’s failure to provide Service Information on a timely basis shall be grounds for the Authority in its discretion to modify, withhold, suspend, or terminate Electric Service to the Customer.

ARTICLE III
RATES, TERMS AND CONDITIONS

1. Electric Service shall be sold to the Customer in accordance with the rates, terms and conditions provided for in this Agreement, Service Tariff No. WNY-2 and the Rules. The Authority agrees to waive the Minimum Monthly Charge set forth in Service Tariff No. WNY-2 for a period up to one (1) year upon written request from the Customer that is accompanied by information that demonstrates to the Authority’s satisfaction a short-term reduction or interruption of Facility operations due to events beyond the Customer’s control. The Customer shall provide such information that the Authority requests during the period of any such waiver to enable the Authority to periodically evaluate the ongoing need for such waiver.

2. If the Authority at any time during the term of this Agreement enters into an agreement with another customer for the sale of EP or RP at power and energy rates that are more advantageous to such customer than the power and energy rates provided in this Agreement and Service Tariff No. WNY-2, then the Customer, upon written request to the Authority, will be entitled to such more advantageous power and energy rates in the place of the power and energy rates provided in this Agreement and Service Tariff No. WNY-2 effective from the date of such written request, provided, however, that the foregoing provision shall not apply to:

   a. any agreement for the sale of EP and/or RP with an Authority customer whose purchase of EP and/or RP is associated with an Authority service tariff other than Service Tariff No. WNY-2, including Authority Service Tariff No. WNY-1; or

   b. any agreement for the sale of EP and/or RP with an Authority customer which is associated with such customer’s participation in an Alternative REC Compliance Program provided for in Schedule E of this Agreement.

3. Notwithstanding any provision of this Agreement to the contrary, the power and energy rates for Electric Service shall be subject to increase by Authority at any time upon 30 days prior written notice to Customer if, after consideration by Authority of its legal obligations, the marketability of the output or use of the Project and Authority’s competitive position with
respect to other suppliers, Authority determines in its discretion that increases in rates obtainable from any other Authority customers will not provide revenues, together with other available Authority funds not needed for operation and maintenance expenses, capital expenses, and reserves, sufficient to meet all requirements specified in Authority’s bond and note resolutions and covenants with the holders of its financial obligations. Authority shall use its best efforts to inform Customer at the earliest practicable date of its intent to increase the power and energy rates pursuant to this provision. With respect to any such increase, Authority shall forward to Customer with the notice of increase, an explanation of all reasons for the increase, and shall also identify the sources from which Authority will obtain the total of increased revenues and the bases upon which Authority will allocate the increased revenue requirements among its customers. Any such increase in rates shall remain in effect only so long as Authority determines such increase is necessary to provide revenues for the purposes stated in the preceding sentences.

4. In addition to all other fees, assessments and charges provided for in the Agreement, Service Tariff WNY-2 and the Rules, the Customer shall be responsible for payment of the Zero Emission Credit Charge and Monthly Renewable Energy Credit Charge provided for in Schedule D and Schedule E, respectively, of this Agreement.

ARTICLE IV
SUPPLEMENTAL COMMITMENTS

1. **Supplemental Commitments.** Schedule B sets forth the Customer’s “Supplemental Expansion Power and/or Replacement Power Commitments” (“Supplemental Commitments”). The Authority’s obligation to provide Electric Service under this Agreement is expressly conditioned upon the Customer’s timely compliance with the Supplemental Commitments described in Schedule B as further provided in this Agreement. The Customer’s Supplemental Commitments are in addition to all other commitments and obligations provided in this Agreement.

2. [Intentionally Left Blank]

3. **Special Provisions Relating to a New or Expanded Facility.**

   a. **Proposed New or Expanded Facility; Failure to Complete.**

      If Schedule B provides for the construction of a new facility or an expansion of an existing facility (collectively, “Expansion Project”), and the Customer fails to complete the Expansion Project by the date specified in Schedule B, the Authority may, in its discretion, (a) cancel the Allocation, or (b) if it believes that the Expansion Project will be completed in a reasonable time, agree with the Customer to extend the time for completion of the Expansion Project.

   b. **Proposed New or Expanded Facility; Partial Performance.**

      If the Expansion Project results in a completed Facility that is only partially operational, or is material different than the Expansion Project agreed to in Schedule B (as measured
by such factors as size, capital investment expenditures, capital improvements, employment levels, estimated energy demand and/or other criteria determined by the Authority to be relevant), the Authority may, in its discretion, on its own initiative or at the Customer’s request, make a permanent reduction to the Allocation and Contract Demand to an amount that the Authority determines to fairly correspond to the completed Facility.

c. Notice of Completion; Commencement of Electric Service.

(i) The Customer shall give the Authority not less than ninety (90) days' advance written notice of the anticipated date of completion of an Expansion Project. The Authority will inspect the Expansion Project for the purpose of verifying the status of the Expansion Project and notify Customer of the results of the inspection. The Authority will thereafter commence Electric Service within a reasonable time subject to the other provisions of this Agreement based on applicable operating procedures of the Authority, Customer's local electric utility and NYISO.

(ii) In the event of an Expansion Project being completed in multiple phases, at the Customer’s request the Authority may, in its discretion, allow commencement of part of the Allocation upon completion of any such phase, provided the Authority will similarly inspect the Expansion Project for the purpose of verifying the status of the completed phase of the Expansion Project. Upon such verification by the Authority of any such completed phase, the Authority, in its discretion, will determine an amount of kW that fairly corresponds to the completed phase of the Expansion Project, taking into account relevant criteria such as any capital expenditures, increased employment levels, and/or increased electrical demand associated with the completed phase of the Expansion Project.

d. Other Rights and Remedies Unaffected.

Nothing in this Article is intended to limit the Authority’s rights and remedies provided for in the other provisions of this Agreement, including without limitation the provisions in Schedule B of this Agreement.

ARTICLE V
ENERGY-RELATED PROJECTS, PROGRAMS AND SERVICES

The Authority shall periodically communicate with the Customer for the purpose of informing the Customer about energy-related projects, programs and services (“Energy Services”) offered by the Authority that in the Authority’s view could provide value to the Customer and/or support the State’s Clean Energy Standard. The Customer shall review and respond to all such offers in good faith, provided, however, that, except as otherwise provided for in this Agreement, participation in any such Energy Services shall be at the Customer’s option, and subject to such terms and conditions agreed to by the Parties in one or more definitive agreements.
ARTICLE VI
SERVICE TARIFF; CONFLICTS

1. A copy of Service Tariff No. WNY-2 in effect upon the execution of this Agreement is attached to this Agreement as Exhibit 1, and will apply under this Agreement with the same force and effect as if fully set forth herein. The Customer consents to the application of Service Tariff WNY-2. Service Tariff No. WNY-2 is subject to revision by the Authority from time to time, and if revised, the revised provisions thereof will apply under this Agreement with the same force and effect as if set forth herein. The Authority shall provide the Customer with prior written notice of any revisions to Service Tariff No. WNY-2.

2. In the event of any inconsistencies, conflicts, or differences between the provisions of Service Tariff No. WNY-2 and the Rules, the provisions of Service Tariff No. WNY-2 shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of this Agreement and Service Tariff No. WNY-2 or the Rules, the provisions of this Agreement shall govern.

ARTICLE VII
TRANSMISSION AND DELIVERY

1. The Customer shall be responsible for:

   a. complying with all requirements of its local electric utility (including any other interconnecting utilities) that are necessary to enable the Customer to receive delivery service for the Allocation. Delivery of the Allocation shall be subject to the Utility Tariff;

   b. paying its local electric utility for delivery service associated with the Allocation in accordance with the Utility Tariff, and if the Authority incurs any charges associated with such delivery service, reimbursing the Authority for all such charges; and

   c. obtaining any consents and agreements from any other person that are necessary for the delivery of the Allocation to the Facility, and complying with the requirements of any such person, provided that any such consents, agreements and requirements shall be subject to the Authority’s approval.

2. The Authority will use good faith efforts to provide the Customer with at least one year’s advance notice of the scheduled expiration of Historic Fixed Price Transmission Congestion Contracts. After issuance of any such notice, the Authority will make itself available at reasonable times to collaborate with the Customer and other EP and RP customers to discuss potential risk-hedging options that might be available following expiration of such contracts.

3. The Customer understands and acknowledges that delivery of the Allocation will be made over transmission facilities under the control of the NYISO. The Authority will act as the LSE with respect to the NYISO, or arrange for another entity to do so on the Authority’s behalf. The Customer agrees and understands that it shall be responsible to the Authority for all costs incurred by the Authority with respect to the Allocation for the services established in the NYISO Tariff, or other applicable tariff (“NYISO Charges”), as set forth in Service
Tariff No. WNY-2 or any successor service tariff, regardless of whether such NYISO Charges are transmission-related.

4. The Authority will consider opportunities to assist the Customer concerning actions, practices, or procedures of the Customer’s local electric utility identified by the Customer that could adversely impact the implementation and effectiveness of the EP and RP programs, provided that whether or not to take any action or adopt any position on any issue, including any adverse position, is within the Authority’s discretion and further subject to applicable laws, regulations and existing legal obligations.

ARTICLE VIII
BILLING AND BILLING METHODOLOGY

1. The billing methodology for the Allocation shall be determined on a “load factor sharing” basis in a manner consistent with the Utility Tariff and any agreement between the Authority and the Customer’s local electric utility. An alternative basis for billing may be used provided the Parties agree in writing and the local electric utility provides its consent if such consent is deemed necessary.

2. All other provisions with respect to billing are set forth in Service Tariff No. WNY-2 and the Rules.

3. The rights and remedies provided to the Authority in this Article are in addition to any and all other rights and remedies available to Authority at law or in equity.

ARTICLE IX
HYDROPOWER CURTAILMENTS AND SUBSTITUTE ENERGY

1. The Customer shall, on a form provided by the Authority, elect to either (a) purchase Substitute Energy from the Authority, or (b) rely on Customer-Arranged Energy, for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment. The Customer shall make its election in accordance with the time period and other requirements prescribed in such form. The election shall apply for the entire calendar year identified in the form.

2. The Customer may change its election on a form provided by the Authority by giving the Authority notice of such change no later than the first day of November preceding the calendar year to which the Customer intends such change to become effective. Such change shall be effective on the first day of January following the Authority’s receipt the Customer’s notice and shall remain in effect unless it is changed in accordance with the provisions of Section IX.1.

3. In the event of an anticipated or planned Adverse Water Condition, the Authority will have the right in its discretion to implement Planned Hydropower Curtailments. The Authority will implement Planned Hydropower Curtailments on a non-discriminatory basis as to all Authority customers that are served by the Project. The Authority will provide the Customer with advance notice of Planned Hydropower Curtailments that in the Authority’s judgment will impact Electric Service to the Customer no later than the tenth business day of the month.
prior to the month in which the Planned Hydropower Curtailment is expected to occur unless the Authority is unable to provide such notice due to the circumstances that impede such notice, in which case the Authority will provide such advance notice that is practicable under the circumstances.

4. If the Customer elected to purchase Substitute Energy from the Authority, the Authority shall provide Substitute Energy to the Customer during all Planned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, Substitute Energy shall be sourced from markets administered by the NYISO. The Authority may require the Customer to enter into one or more separate agreements to facilitate the provision of Substitute Energy to the Customer.

5. If the Customer elected to rely on Customer-Arranged Energy, the Authority shall have no responsibility to provide the Customer with Substitute Energy during any Planned Hydropower Curtailment, and the Customer shall be responsible for the procurement, scheduling, delivery and payment of all costs associated with Customer-Arranged Energy.

6. The Customer shall have the right to reduce its load in response to a Planned Hydropower Curtailment (a “Load Reduction”), provided, however, that the Customer shall, on an Authority form, provide the Authority with no less than seven (7) days’ advance notice of the time period(s) during which the Load Reduction will occur, the estimated amount of the Load Reduction (demand and energy), and all other information required by such form. The Authority will confirm whether the notice provides the required information and proposed Load Reduction has been accepted. The Customer shall reimburse the Authority for all costs that the Authority incurs as a result of the Customer’s failure to provide such notice.

7. In the event of an Adverse Water Condition that the Authority did not anticipate or forecast, the Authority shall have the right in its discretion to implement Unplanned Hydropower Curtailments. The Unplanned Hydropower Curtailments will be implemented on a nondiscriminatory basis as to all Authority customers that are served by the Project.

8. The Authority will provide the Customer with notice of Unplanned Hydropower Curtailments that in the Authority’s judgment will impact Electric Service to the Customer within five (5) business days after the first occurrence of an Unplanned Hydropower Curtailment that occurs within a month, and thereafter will provide the Customer with reasonable notice under the circumstances of the potential for any other Unplanned Hydropower Curtailments that are expected to occur within such month or beyond. The Authority will give the Customer notice of any Unplanned Hydropower Curtailments that the Authority believes are likely to exceed forty-eight (48) continuous hours in duration.

9. Notwithstanding the Customer’s election pursuant to Section IX.1, the Authority shall provide the Customer with Substitute Energy during Unplanned Hydropower Curtailments.

10. For each kilowatt-hour of Substitute Energy provided by the Authority during a Planned Hydropower Curtailment, the Customer shall pay the Authority directly during the billing month: (1) the difference between the market cost of the Substitute Energy and the charge for firm energy as provided for in this Agreement; and (2) any NYISO charges and taxes the Authority incurs in connection with the provision of such Substitute Energy. Unless
otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Planned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.

11. The Customer shall be responsible for all costs associated with the Authority’s provision of Substitute Energy during Unplanned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Unplanned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.

12. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Customer in later billing periods.

ARTICLE X
EFFECTIVENESS, TERM AND TERMINATION

1. This Agreement shall become effective and legally binding on the Parties on the Effective Date.

2. Once commenced, Electric Service under the Agreement shall continue until the earliest of: (a) termination by the Customer with respect to its Allocation upon ninety (90) days prior written notice to the Authority; (b) termination by the Authority pursuant to this Agreement, Service Tariff No. WNY-2, or the Rules; or (c) expiration of the Allocation by its own term as specified in Schedule A.

3. The Customer may exercise a partial termination of the Allocation upon at least sixty (60) days’ prior written notice to the Authority. The Authority will effectuate the partial termination as soon as practicable after receipt of such notice taking account of the Authority’s internal procedures and requirements of the Customer’s local electric utility.

4. The Authority may cancel service under this Agreement or modify the quantities of Firm Power and Firm Energy associated with the Allocation: (1) if such cancellation or modification is required to comply with any final ruling, order or decision of any regulatory or judicial body of competent jurisdiction (including any licensing or re-licensing order or orders of the FERC or its successor agency); or (2) as otherwise provided in this Agreement, Service Tariff No. WNY-2, or the Rules.

ARTICLE XI
EXTENSIONS OF ALLOCATION; AWARD OF ADDITIONAL_ALLOCATIONS

1. The Customer may apply to the Authority for an extension of the term of the Allocation identified in Schedule A:

   a. during the thirty-six (36) month period immediately preceding the scheduled expiration of the Allocation;
b. pursuant to any other process that the Authority establishes; or

c. with the Authority’s written consent.

2. Upon proper application by the Customer, the Authority may in accordance with applicable law and Authority procedures award additional allocations of EP and/or RP to the Customer at such rates and on such terms and conditions as the Authority establishes. If the Customer agrees to purchase Electric Service associated with any such additional allocation, the Authority will (a) incorporate any such additional allocations into Schedule A, or in its discretion will produce a supplemental schedule, to reflect any such additional allocations, and (b) produce a modified Appendix to Schedule B, as the Authority determines to be appropriate. The Authority will furnish the Customer with any such modified Schedule A, supplemental schedule, and/or a modified Appendix to Schedule B, within a reasonable time after commencement of Electric Service for any such additional allocation.

3. In addition to any requirements imposed by law, the Customer hereby agrees to furnish such documentation and other information as the Authority requests to enable the Authority to evaluate any requests for extension of the Allocation or additional allocations and consider the terms and conditions that should be applicable of any extension or additional allocations.

ARTICLE XII
NOTICES

1. Notices, consents, authorizations, approvals, instructions, waivers or other communications provided in this Agreement shall be in writing and transmitted to the Parties as follows:

To: The Authority
New York Power Authority
123 Main Street
White Plains, New York 10601
Email: __________
Facsimile: ________
Attention: Manager – Business Power Allocations and Compliance

To: The Customer
LW1 Operator, LLC
310 Ship Canal Parkway
Buffalo, NY 14218
Email: __________
Facsimile: ________
Attention: __________

2. The foregoing notice/notification information pertaining to either Party may be changed by such Party upon notification to the other Party pursuant to Section XII.1.

3. Except where otherwise herein specifically provided, any notice, communication or request required or authorized by this Agreement by either Party to the other shall be deemed
properly given: (a) if sent by U.S. First Class mail addressed to the Party at the address set forth above; (b) if sent by a nationally recognized overnight delivery service, two (2) calendar days after being deposited for delivery to the appropriate address set forth above; (c) if delivered by hand, with written confirmation of receipt; (d) if sent by facsimile to the appropriate fax number as set forth above, with written confirmation of receipt; or (e) on the date of transmission if sent by electronic communication to the appropriate address as set forth above, with confirmation of receipt. Either Party may change the addressee and/or address for correspondence sent to it by giving written notice in accordance with the foregoing.

ARTICLE XIII
SUCCESSORS AND ASSIGNS; RESALE OF HYDROPOWER

1. This Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the legal successors and assigns of either Party hereto, provided that no assignment by either Party or any successor or assignee of such Party of its rights and obligations hereunder shall be made or become effective without the prior written consent of the other Party, which consent shall not be unreasonably withheld or conditioned. Notwithstanding the foregoing sentence, the Authority may require such approvals, and such consents and other agreements from the Customer and other parties, that the Authority determines are necessary in order to effectuate any such assignment.

2. The Customer may not transfer any portion of the Allocation to any other person, or a location different than the Facility, unless: (a) the Authority in its discretion authorizes the transfer Authority; (b) all other requirements applicable to a transfer, including board approvals, are satisfied; and (c) the transfer is effectuated in a form and subject to such terms and conditions approved by the Authority. Any purported transfer that does not comply with the foregoing requirements shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service or terminate the Allocation and/or this Agreement.

3. The Customer may not sell any portion of the Allocation to any other person. Any purported sale shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service, or terminate the Allocation and/or this Agreement.

ARTICLE XIV
MISCELLANEOUS

1. Choice of Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York to the extent that such laws are not inconsistent with the FERC License and the Niagara Redevelopment Act (16 USC §§836, 836a) and rulings by the IJC and without regard to conflicts of law provisions.

2. Venue

The Parties: (a) consent to the exclusive jurisdiction and venue of any state court within or
for Albany County, New York, with subject matter jurisdiction for adjudication of any
claim, suit, action or any other proceeding in law or equity arising under, or in any way
relating to this Agreement; (b) agree to accept service of process; and (c) will not raise any
argument of inconvenient forum.

3. Previous Agreements; Modifications; and Interpretation

   a. This Agreement shall constitute the sole and complete agreement of the Parties hereto
      with respect to the sale of the Allocation and the subject matter of the Agreement, and
      supersedes all previous communications and agreements between the Parties, oral or
      written, with reference to the sale of the Allocation.

   b. No modifications of this Agreement shall be binding upon the Parties hereto or either of
      them unless such modification is in writing and is signed by a duly authorized officer of
      each of them.

   c. No provision shall be construed against a Party on the basis that such Party drafted such
      provision.

4. Waiver

   Any waiver at any time by either the Authority or the Customer of their rights with respect
   to a default or of any other matter arising out of this Agreement shall not be deemed to be
   a waiver with respect to any other default or matter. No waiver by either Party of any
   rights with respect to any matter arising in connection with this Agreement shall be
   effective unless made in writing and signed by the Party making the waiver.

5. Severability and Voidability

   If any term or provision of this Agreement shall be invalidated, declared unlawful or
   ineffective in whole or in part by an order of the FERC or a court of competent
   jurisdiction, such order shall not be deemed to invalidate the remaining terms or
   provisions hereof. Notwithstanding the preceding sentence, if any provision of this
   Agreement is rendered void or unenforceable or otherwise modified by a court or agency
   of competent jurisdiction, the entire Agreement shall, at the option of either Party and only
   in such circumstances in which such Party’s interests are materially and adversely
   impacted by any such action, be rendered void and unenforceable by such affected Party.

ARTICLE XV
EXECUTION

To facilitate execution, this Agreement may be executed in as many counterparts as may be
required, and it shall not be necessary that the signatures of, or on behalf of, each Party, or that
the signatures of all persons required to bind any Party, appear on each counterpart; but it shall
be sufficient that the signature of, or on behalf of, each Party, or that the signatures of the
persons required to bind any Party, appear on one or more of the counterparts. All counterparts
shall collectively constitute a single agreement. It shall not be necessary in making proof of this
Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the Parties hereto. The delivery of an executed counterpart of this Agreement as a PDF or similar file type transmitted via electronic mail, cloud based server, e-signature technology or similar electronic means shall be legal and binding and shall have the same full force and effect as if an original executed counterpart of this Agreement had been delivered.

[SIGNATURES FOLLOW ON NEXT PAGE]
AGREED:

LW1 OPERATOR, LLC

By: __________________________________________
Title: _________________________________________
Date: _________________________________________

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: __________________________________________
John R. Koelmel, Chairman
Date: _________________________________________
### SCHEDULE A
EXPANSION POWER AND/OR REPLACEMENT POWER ALLOCATIONS

<table>
<thead>
<tr>
<th>Type of Allocation</th>
<th>Allocation Amount (kW)</th>
<th>Facility and Address</th>
<th>Trustee Approval Date</th>
<th>Allocation Expiration Date</th>
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</thead>
<tbody>
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<td>310 Ship Canal Parkway</td>
<td>January 25, 2022</td>
<td>Ten (10) years from the date of commencement of Electric Service</td>
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</tbody>
</table>
SCHEDULE B
SUPPLEMENTAL EXPANSION POWER AND/OR REPLACEMENT POWER COMMITMENTS

ARTICLE I
SPECIFIC SUPPLEMENTAL COMMITMENTS

1. Employment Commitments

   a. The Customer shall create and maintain the employment level set forth in the Appendix to this Schedule B (the “Base Employment Level”). Such Base Employment Level shall be the total number of full-time positions held by: (a) individuals who are employed by the Customer at Customer’s Facility identified in the Appendix to this Schedule, and (b) individuals who are contractors or who are employed by contractors of the Customer and assigned to the Facility identified in such Appendix (collectively, “Base Level Employees”). The number of Base Level Employees shall not include individuals employed on a part-time basis (less than 35 hours per week); provided, however, that two individuals each working 20 hours per week or more at such Facility shall be counted as one Base Level Employee.

   b. The Base Employment Level shall not be created or maintained by transfers of employees from previously held positions with the Customer or its affiliates within the State of New York, except that the Base Employment Level may be filled by employees of the Customer laid off from other Customer facilities for bona fide economic or management reasons.

   c. The Authority may consider a request to change the Base Employment Level based on a claim of increased productivity, increased efficiency or adoption of new technologies or for other appropriate reasons as determined by the Authority. Any such change shall be within Authority’s discretion.

2. Capital Investment Commitments

   The Customer shall make the capital investments specified in the Appendix to this Schedule B.

3. Power Utilization

   For each month the Authority provides Electric Service to the Customer, the Customer shall utilize the entire Allocation, as represented by the Billing Demand (as such term is described in Service Tariff No. WNY-2), provided, however, that if only part of the Allocation is being utilized in accordance with Schedule C, the Customer shall utilize such partial amount of the Allocation.

4. Energy Efficiency and Conservation Program
a. The Customer shall implement an energy efficiency and conservation program at the Facility through either (a) enrollment of the Facility and participation in NYEM in accordance with a NYEM Agreement, or (b) one or more Physical Energy Audits of the Facility, or (c) a combination of such measures, in accordance with the provisions of this Article.

b. The Authority shall transmit to the Customer a NYEM Agreement and an election form. The Customer shall elect to either (a) enroll the Facility and participate in NYEM for a three-year term (“NYEM Participation”) in accordance with the NYEM Agreement, or (b) perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority’s communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit within three (3) years of the Effective Date of this Agreement, at its own expense.

c. The Authority shall, on or before the expiration of the three-year term of the NYEM Agreement, transmit to the Customer a NYEM Agreement specifying the terms and conditions that would apply to NYEM participation for a second term, and an election form. The Customer shall elect either (a) NYEM Participation for a second term, or (b) to perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority’s communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit during the calendar year that begins six years after of the Effective Date of this Agreement, at its own expense.

d. The Authority may in its discretion waive the requirement for a Physical Energy Audit, or may agree to a limited energy audit of the Facility, where it determines that the Physical Energy Audit is unnecessary based on the age of the Facility, energy efficiency and conservation improvements made at the Facility, the length of the Allocation, or other considerations the Authority determines to be relevant.
ARTICLE II
RECORDKEEPING, REPORTING AND FACILITY ACCESS

1. Employment

A record shall be kept monthly by the Customer, and provided on a calendar year
basis to the Authority, of the total number of Base Level Employees who are
employed at or assigned to the Customer’s Facility identified in the Appendix to
this Schedule, as reported to the United States Department of Labor (or as
reported in such other record as agreed upon by the Authority and the Customer).
Such report shall separately identify the individuals who are employed by the
Customer, and the individuals who are contractors or who are employed by
contractors of the Customer, and shall be certified to be correct by an officer of
the Customer, plant manager or such other person authorized by the Customer to
prepare and file such report and shall be provided to the Authority on or before
the last day of February following the end of the most recent calendar year. The
Authority shall have the right to examine and audit on reasonable advance written
notice all non-confidential written and electronic records and data concerning
employment levels including, but not limited to, personnel records and summaries
held by the Customer and its affiliates relating to employment in New York State.

2. Capital Investments

The Customer shall comply with the recordkeeping, recording and reporting
requirements specified in the Appendix to this Schedule B.

3. Power Usage

A record shall be kept monthly by the Customer, and provided on a calendar year
basis to the Authority on or before the last day of February following the end of
the most recent calendar year, of the maximum demand utilized each month in the
Facility receiving the power covered by the Agreement.

4. Energy Efficiency and Conservation Program

Upon the Authority’s request, the Customer shall provide the Authority with (a) a
copy of the results of any Physical Energy Audit performed at the Facility (or, at
the Authority’s option, a report describing the results), performed pursuant to this
Article; and (b) a description of any energy efficiency or conservation measures
that the Customer has implemented at the Facility in response to any Physical
Energy Audit or as a result of NYEM Participation.

5. Facility Access
Notwithstanding any other provision of the Agreement, the Customer shall provide the Authority with such access to the Facility, and such documentation, as the Authority deems necessary to determine the Customer’s compliance with the Customer’s Supplemental Commitments specified in this Schedule B.

ARTICLE III
COMPLIANCE ACTION BY THE AUTHORITY

1. Employment

If the year-end monthly average number of employees is less than 90% of the Base Employment Level set forth in the Appendix to this Schedule B for the subject calendar year, the Authority may reduce the Contract Demand in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount of reduction will be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average monthly employment during the subject calendar year divided by the Base Employment Level. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, the Agreement shall automatically terminate.

2. Capital Investment Commitment

The Authority may reduce the Contract Demand as provided in the Appendix to this Schedule B if the Customer does not comply with the Capital Investment Commitment.

3. Power Utilization Level

If the average of the Customer’s six (6) highest Billing Demands (as such term is described in Service Tariff No. WNY-2) for Expansion Power and/or Replacement Power is less than 90% of the Customer’s Contract Demand in such calendar year the Authority may reduce the Contract Demand subject to in accordance with the procedures provide in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average of the six (6) highest Billing Demands for in such calendar year divided by the Contract Demand. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

4. Additional Compliance Action

In addition to the Authority’s other rights and remedies provided in this Agreement, Service Tariff WNY-2 and the Rules, the Authority may suspend Electric Service to the Customer if the Customer does not comply with any of the requirements in Section I.4 or Article II of this Schedule B.
5. **Notice of Intent to Reduce Contract Demand**

In the event that the Authority determines that the Contract Demand will be wholly or partially reduced pursuant to Sections III.1, III.2, or III.3 of this Schedule B, the Authority shall provide the Customer with at least thirty (30) days prior written notice of the proposed reduction, specifying the amount and reason for the reduction. Before implementing any reduction, the Authority may consider the Customer’s scheduled or unscheduled maintenance, Facility upgrade periods, and the business cycle. If, at the end of the thirty (30) day notice period, the Authority determines that a reduction is warranted, it shall provide the Customer with notice of such determination and provide the Customer with sixty (60) days to present a proposed plan with actionable milestones to cure the deficiency. The Authority shall respond to the Customer concerning the acceptability of any proposed plan that is provided in accordance with this Section III.5 within thirty (30) days of the Authority’s receipt of such proposed plan. It shall be within the Authority’s discretion whether or not to accept the Customer’s proposed plan, require a different plan, or implement the reduction of the Contract Demand.
APPENDIX TO SCHEDULE B

BASE EMPLOYMENT LEVEL

The Customer shall employ at least 75 full-time, permanent employees (“Base Employment Level”) at the Customer’s Facility. The Base Employment Level shall be maintained for the term of the Allocation in accordance with Article I of Schedule B.

CAPITAL INVESTMENT COMMITMENTS

1. **Annual Capital Investment Commitment** (if applicable, as specified below)
   
a. Each Reporting Year, the rolling average of the annual capital investments made by the Customer at the Facility (“Rolling Average”) shall total not less than N/A (the “Annual Capital Investment Commitment”). For purposes of this provision, “Rolling Average” means the three-year average comprised of (1) the total amount of capital investments (“Annual CI Expenditures”) made by the Customer at the Facility during the current Reporting Year, and (2) the Annual CI Expenditures made by the Customer at the Facility during the two prior Reporting Years.

   b. Each year, the Customer shall record its Annual CI Expenditures for purposes of enabling the Authority to determine and verify the Rolling Average, which shall be provided to the Authority in a form specified by the Authority on or before the last day of February following the end of the most recent calendar year.

   c. If the Customer’s Rolling Average as determined by the Authority is less than 90% of its Annual Capital Investment Commitment for the Reporting Year, the Contract Demand may be reduced by the Authority in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the Rolling Average divided by the Annual Capital Investment Commitment. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

2. **Expansion Project–Capital Investment Commitment** (if applicable, as specified below)
   
a. The Customer shall make a minimum capital investment of $24,200,000 to construct, furnish and/or expand the Facility (“Expansion Project Capital Investment Commitment”). The Expansion Project Capital Investment Commitment is expected to consist of the following approximate expenditures on the items indicated:
<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>EXPENDITURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land acquisition and construction costs</td>
<td>$16,700,000</td>
</tr>
<tr>
<td>Machinery and equipment purchases</td>
<td>$7,500,000</td>
</tr>
<tr>
<td><strong>Total Minimum Expansion Project Capital Investment Commitment:</strong></td>
<td><strong>$24,200,000</strong></td>
</tr>
</tbody>
</table>

Total Expansion Project Capital Investment Commitment:

b. The Expansion Project Capital Investment Commitment shall be made, and the Facility shall be completed and fully operational, no later than January 25, 2025 (i.e., within three (3) years of the date of the Authority’s award of the Allocation). Upon request of the Customer, such date may be extended in the discretion of the Authority.
SCHEDULE C
TAKE-DOWN SCHEDULE
I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. WNY-2, or in the Rules.

“Affected LSEs” has the meaning provided in Section II.2 of this Schedule D.

“CES Order” means the Order issued by the PSC entitled “Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

“EP and RP Programs ZEC Costs” has the meaning provided in Section II.4.b of this Schedule D.

“Government Action” has the meaning provided in Section II.8 of this Schedule D.

“Load Serving Entity” or “LSE” has the meaning provided in the CES Order.

“NYSERDA” means the New York State Energy Research and Development Authority.

“Public Service Commission” means the New York State Public Service Commission.

“Renewable Energy Standard” or “RES” means the Renewable Energy Standard adopted by the State in the CES Order.

“RES Compliance Program” means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the EP and RP power programs as authorized in the Power Authority Act.

“State Energy Plan” means the 2015 New York State Energy Plan as amended from time to time.

“Zero Emission Credit” or “ZEC” has the meaning provided in the CES Order.

“Zero Emission Credit Charge” or “ZEC Charge” means the charge to the Customer established in this Schedule D.
“ZEC Purchase Obligation” has the meaning provided in Section II.2 of this Schedule D.

“ZEC Program Year” has the meaning provided in Section II.2 of this Schedule D.

II. ZEC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a ZEC Charge as provided in this Schedule D. The ZEC Charge shall be in addition to all other charges, fees and assessments provided for in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the ZEC Charge.

2. As provided in the CES Order, the Public Service Commission, as part of the CES and Tier 3 of the Renewable Energy Standard, imposed an obligation on Load Serving Entities that are subject to the CES Order (“Affected LSEs”) to purchase Zero Emission Credits from NYSERDA in an amount representing the Affected LSE’s proportional share of ZECs calculated on the basis of the amount of electric load the LSE serves in relation to the total electric load served by all Load Serving Entities in the New York Control area, to support the preservation of existing at risk nuclear zero emissions attributes in the State (the “ZEC Purchase Obligation”). The ZEC Purchase Obligation is implemented on the basis of program years running from April 1 through March 31 of each year (“ZEC Program Year”).

3. The ZEC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of supporting the CES and Tier 3 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan. The Authority will comply with the CES and Tier 3 of the RES by applying a form of ZEC Purchase Obligation to the end-user load for which the Authority serves as a load serving entity, including the load that the Authority serves under the EP and RP power programs.

4. The ZEC Charge, which is intended to recover from the Customer costs that the Authority incurs for purchasing ZECs in quantities that are attributable to the Customer’s EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:

a. The cost of the total ZEC Purchase Obligation for all LSEs in the New York Control Area, including the Authority as a participating load serving entity, will be assessed pursuant to the methodology provided in the CES Order. The Authority will purchase its proportionate share of ZECs from NYSERDA based on the proportion of the forecasted total kilowatt-hours load served by
the Authority (i.e., total Authority LSE load) in relation to the forecasted total kilowatt-hours load served by all LSEs in the New York Control Area as provided in the CES Order. The ZEC Purchase Obligations may be based on initial load forecasts with reconciliations made at the end of each ZEC Program Year by NYSERDA.

b. The Authority will allocate costs from its ZEC Purchase Obligation between its power programs/load for which it serves as load serving entity, including the EP and RP load that it serves (the “EP and RP Programs ZEC Costs”). Such allocation will be based on the forecasted kilowatt-hours load of the EP and RP programs to be served by the Authority in relation to the forecasted total kilowatt-hours load served by the Authority (total Authority LSE load) for each ZEC Program Year. In addition, any balance resulting from the ZEC Program Year-end reconciliation of ZEC Purchase Obligations will be allocated to the EP and RP power programs based on the proportion of the actual annual kilowatt-hours load served under such programs to total actual annual kilowatt-hours load served by the Authority (total Authority LSE load).

c. The Authority will allocate a portion of the EP and RP Programs ZEC Costs to the Customer as the ZEC Charge based on the proportion of the Customer’s actual kilowatt-hours load for the EP and/or RP purchased by the Customer to total kilowatt-hours load served by the Authority under the EP and RP power programs (i.e., EP and RP Programs level load). In addition, any balance resulting from the ZEC Program Year-end reconciliation of the ZEC Purchase Obligation referenced above will be passed through to the Customer based on the proportion of the Customer’s annual kilowatt-hours load purchased under this Agreement to total annual kilowatt-hours load served under the EP and RP power program by the Authority (EP and RP Programs level load). The ZEC Charge assessed to the Customer shall not include any costs resulting from the Authority’s inability to collect a ZEC Charge from any other Authority customer.

5. The Authority may, in its discretion, include the ZEC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the ZEC Charge pursuant to another Authority-established procedure.

6. The Authority may, in its discretion, modify the methodology used for determining the ZEC Charge and the procedures used to implement such ZEC Charge on a nondiscriminatory basis among affected EP and RP customers, upon consideration of such matters as Public Service Commission orders modifying or implementing the CES Order, guidance issued by the New York Department of Public Service, and other information that the Authority reasonably determines to be appropriate to the determination of such methodology. The Authority shall
provide Customer with reasonable notice of any modifications to the methodology or procedures used to determine and implement the ZEC Charge.

7. Nothing in this Schedule shall limit or otherwise affect the Authority’s right to charge or collect from the Customer any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.

8. If the ZEC Purchase Obligation is modified or terminated by the Public Service Commission or other controlling governmental authority (collectively, “Government Action”), the Authority shall modify or terminate the ZEC Charge, and assess any additional charges or provide any credits to the Customer, to the extent that the Authority determines such actions to be appropriate based on such Government Action.
I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. WNY-2, or in the Rules.

“Alternative REC Compliance Program” has the meaning provided in Section III.1 of this Schedule E.

“Annual REC Percentage Target” has the meaning provided in Section II.2 of this Schedule E.

“CES Order” means the Order issued by the Public Service Commission entitled “Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

“Clean Energy Standard” or “CES” means the Clean Energy Standard adopted by the State in the CES Order.

“Load Serving Entity” has the meaning provided in the CES Order.

“Mandatory Minimum Percentage Proportion” has the meaning provided in the CES Order.

“Monthly Renewable Energy Credit Charge” or “Monthly REC Charge” means the monthly charge to the Customer established in this Schedule E.

“NYSERDA” means the New York State Energy Research and Development Authority.

“Public Service Commission” means the New York State Public Service Commission.

“Renewable Energy Credit” or “REC” refers to a qualifying renewable energy credit as described in the CES Order.

“State Energy Plan” means the 2015 New York State Energy Plan as amended from time to time.
“RES Compliance Program” means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the EP and RP power programs as authorized in the Power Authority Act.

“Renewable Energy Standard” or “RES” means the Renewable Energy Standard adopted by the State in the CES Order.

“REC Compliance Measures” mean: (1) the Authority’s procurement of RECs from NYSERDA in accordance with NYSERDA procedures and/or the CES Order; (2) the Authority’s procurement of RECs from available REC markets; (3) the Authority’s procurement of RECs from sources other than those identified in items (1) and (2) of this definition, including through a procurement process adopted by the Authority; and/or (4) any other measure that the PCS authorizes a Load Serving Entity to implement for the purpose of meeting the applicable Mandatory Minimum Percentage Proportion.

“Total Monthly EP-RP Load” has the meaning provided in Section II.3.b of this Schedule E.

“Total Monthly REC Costs” has the meaning provided in Section II.3.b of this Schedule E.

II. MONTHLY REC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a Monthly REC Charge as provided in this Schedule E. The Monthly REC Charge is in addition to all other charges, fees and assessments provided in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the Monthly REC Charge.

2. The Monthly REC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of complying with the CES and Tier 1 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan, pursuant to which the Authority will invest in new renewable generation resources to serve its EP and RP customers. Such investments will be made through the procurement of RECs through REC Compliance Measures in quantities that are intended to address the annual Mandatory Minimum Percentage Proportions as applied by the Authority to the total EP and RP load that the Authority will serve each calendar year (the “Annual REC Percentage Target”) for the purpose of ultimately meeting the RES.

3. The Monthly REC Charge, which is intended to recover from the Customer costs that the Authority incurs for implementing REC Compliance Measures that are attributable to the Customer’s EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:
a. The Authority shall have the right, for each calendar year to implement such REC Compliance Measures as it determines in its discretion to be appropriate for the purpose of meeting the Annual REC Percentage Target for the total EP and RP load that it will serve during such calendar year.

b. The Authority will, for each month of each calendar year, calculate the total costs (“Total Monthly REC Costs”) that the Authority has incurred or estimates that it will incur from implementing RES Compliance Measures for the purpose of meeting the Annual REC Percentage Target for the total EP and RP kilowatt-hour load for the month (“Total Monthly EP-RP Load”). The Total Monthly REC Costs may be calculated based on forecasts of the Total Monthly EP-RP Load that the Authority expects to serve for the month, or on a lagged basis based on the actual Total Monthly EP-RP Load that the Authority served for the month.

c. Each month, the Authority will assess to the Customer, as a Monthly REC Charge, which will represent the Customer’s share of the Total Monthly REC Costs assessed to the Total Monthly EP-RP Load. The Monthly REC Charge will be assessed as the proportion of the Customer’s total kilowatt-hours load served by the Authority for such month to the Total Monthly EP-RP Load served by the Authority for such month, provided, however, that:

i. the Monthly REC Charge to the Customer shall not include any costs associated with the Authority’s inability to collect the Monthly REC Charge from other Authority customers; and

ii. the effective per-MWh rate of the Monthly REC Charge to the Customer averaged over the REC Program Year to which the Annual REC Percentage Target applies shall not exceed the per-MWh rate of a Monthly REC Charge based on NYSERDA’s published REC price for the REC Program Year.

4. The Authority may, in its discretion, include the Monthly REC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the Monthly REC Charge pursuant to another Authority-established procedure.

5. The Authority will, at the conclusion of each calendar year in which it assesses a Monthly REC Charge, conduct a reconciliation process based on the actual costs that it incurred for REC Compliance Measures and actual load served for the year, compared with cost or load estimates or forecasts, if any, that the Authority used to calculate the Customer’s Monthly REC Charges during the year. The Authority will issue a credit, or an adjusted final charge for the year, as appropriate, based on the results of such reconciliation process. Any such final charge shall be payable within the time frame applicable to the Authority’s bills
for Electric Service under this Agreement or pursuant to any other procedure established by the Authority pursuant to Section II.4 of this Schedule E.

6. Notwithstanding the provisions of Section II.3 of this Schedule E, if Electric Service for the Allocation is commenced after the Authority has implemented REC Compliance Measures for the year in which such Electric Service is commenced, and as a result the Customer’s load cannot be accounted for in such REC Compliance Measures, the Authority may in its discretion implement separate REC Compliance Measures in order to meet the Annual REC Percentage Target for Customer’s load for the year, and bill the Customer for the costs associated with such separate REC Compliance Measures.

7. Nothing in this Schedule shall limit or otherwise affect the Authority’s right to charge or collect from the Customer, any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.

III. ALTERNATIVE REC COMPLIANCE PROGRAM

1. Nothing in this Schedule E shall be construed as preventing the Parties from entering into other agreements for an alternative arrangement for the Authority to meet the Annual REC Percentage Target with respect to the Customer’s Allocation, including but not limited to Customer self-supply of RECs, alternative REC compliance programs and cost allocation mechanisms, in lieu of the Monthly REC Charge provided in this Schedule E (collectively, “Alternative REC Compliance Program”).

2. The Authority shall communicate at least biennially with the Customer concerning implementation of the RES Compliance Program and potential Alternative REC Compliance Programs, if any, that the Authority is offering or expects to offer.
POWER AUTHORITY OF THE STATE OF NEW YORK
30 SOUTH PEARL STREET
ALBANY, NY  12207

Schedule of Rates for Sale of Firm Power Service to
Expansion Power and Replacement Power Customers
Located in Western New York

Service Tariff No. WNY-2

Issued by Keith T. Hayes, Vice President
Power Authority of the State of New York
30 South Pearl Street, Albany, NY  12207
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Schedule of Rates for Firm Power Service

I. Applicability

To sales of Expansion Power and/or Replacement Power directly to a qualified business Customer for firm power service.

II. Abbreviations and Terms

- kW kilowatt(s)
- kW-mo. kilowatt-month
- kWh kilowatt-hour(s)
- MWh megawatt-hour(s)
- NYISO New York Independent System Operator, Inc. or any successor organization
- PAL New York Public Authorities Law
- OATT Open Access Transmission Tariff issued by the NYISO

**Agreement**: An executed written agreement between the Authority and the Customer for the sale of Expansion Power and/or Replacement Power to the Customer.

**Annual Adjustment Factor** or **AAF**: This term shall have the meaning set forth in Section V herein.

**Authority**: The Power Authority of the State of New York, a corporate municipal instrumentality and a political subdivision of the State of New York created pursuant to Chapter 772 of the New York Laws of 1931 and existing and operating under Title 1 of Article 5 of the PAL, also known as the “New York Power Authority.”

**Customer**: A business entity that has received an allocation of Expansion Power and/or Replacement Power, and that purchases Expansion Power and/or Replacement Power, directly from the Authority.

**Electric Service**: The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

**Expansion Power** or **EP** and/or **Replacement Power** or **RP**: Firm Power and Firm Energy made available under this Service Tariff by the Authority from the Project for sale to the Customer for business purposes pursuant to PAL § 1005(5) and (13).

**Firm Power**: Capacity (kW) that is intended to be always available from the Project subject to the curtailment provisions set forth in the Agreement between the Authority and the Customer and this Service Tariff. Firm Power shall not include peaking power.
**Firm Energy**: Energy (kWh) associated with Firm Power.

**Load Serving Entity** or **LSE**: This term shall have the meaning set forth in the Agreement.

**Load Split Methodology** or **LSM**: A type of billing methodology applicable to a Customer’s Allocation which determines how a Customer’s total metered usage is apportioned between the power and energy supplied by the Allocation and the Customer’s other source of electricity supply, if any. LSM is usually provided for in an agreement between the Authority and the Customer’s local electric utility, an agreement between the Authority and the Customer, or an agreement between the Authority, the Customer and the Customer’s local electric utility. The load split methodology is often designated as “Load Factor Sharing” or “LFS”, “First through the Meter” or “FTM”, “First through the Meter Modified” or “FTM Modified”, or “Replacement Power 2” or “RP 2”.

**Project**: The Authority’s Niagara Power Project, FERC Project No. 2216.

**Rate Year** or **RY**: The period from July 1 through June 30. For example, RY 2018 refers to July 1, 2018 through June 30, 2019.

**Rules**: The Authority’s rules and regulations set forth in 21 NYCRR § 450 et seq., as they may be amended from time to time.

**Service Tariff**: This Service Tariff No. WNY-2.

All other capitalized terms and abbreviations used in this Service Tariff but not defined in this Section or other provisions of this Service Tariff shall have the same meaning as set forth in the Agreement.
III. Monthly Rates and Charges

A. Expansion Power (EP) and Replacement Power (RP) Base Rates

The rates to be charged to the Customer by the Authority shall be as follows:

<table>
<thead>
<tr>
<th>Billing Period</th>
<th>Demand ($/kW)</th>
<th>Energy ($/MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January – June 2019</td>
<td>7.60</td>
<td>13.00</td>
</tr>
</tbody>
</table>

1. For RY 2019 (July 2019 through June 2020 Billing Periods), 50% of the Annual Adjustment Factor (“AAF”), as described in Section V, will be applied to the demand and energy rates stated in the table above.
2. For RY 2020 (July 2020 through June 2021 Billing Periods) and each Rate Year thereafter, the AAF will be applied to the then-effective base rates for demand and energy in accordance with Section V.

B. EP and RP Rates no Lower than Rural/Domestic Rate

At all times the applicable base rates for demand and energy determined in accordance with Sections III.A and V of this Service Tariff shall be no lower than the rates charged by the Authority for the sale of hydroelectricity for the benefit of rural and domestic customers receiving service in accordance with the Niagara Redevelopment Act, 16 U.S.C. § 836(b)(1) (the "Rural/Domestic Rate"). This provision shall be implemented as follows: if the base rates, as determined in accordance with Sections III.A and V of this Service Tariff, are lower than the Rural/Domestic Rate on an average $/MWh basis, each set of rates measured at 80% load factor which is generally regarded as representative for EP and RP Customers, then the base rates determined under Sections III.A and V of this Service Tariff will be revised to make them equal to the Rural/Domestic Rate on an average $/MWh basis. However, the base rates as so revised will have no effect until such time as these base rates are lower than the Rural/Domestic Rate.

C. Monthly Base Rates Exclude Delivery Service Charges

The monthly base rates set forth in this Section III exclude any applicable costs for delivery services provided by the local electric utility.

D. Minimum Monthly Charge

The Minimum Monthly Charge shall equal the product of the demand charge and the Contract Demand (as defined herein). Such Minimum Monthly Charge shall be in addition to any NYISO Charges or Taxes (each as defined herein) incurred by the Authority with respect to the Customer’s Allocation.
E. Estimated Billing

If the Authority, in its discretion, determines that it lacks reliable data on the Customer’s actual demand and/or energy usage for a Billing Period during which the Customer receives Electric Service from the Authority, the Authority shall have the right to render a bill to the Customer for such Billing Period based on estimated demand and estimated usage (“Estimated Bill”).

For the purpose of calculating a Billing Demand charge for an Estimated Bill, the demand charge will be calculated based on the Load Split Methodology that is applicable to the Customer as follows:

- For Customers whose Allocation is subject to a Load Factor Sharing/LFS LSM, the estimated demand (kW) will be calculated based on an average of the Customer’s Billing Demand (kW) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated demand (kW) value for the Estimated Bill will equal the Customer’s takedown (kW) amount.

- For Customers whose Allocation is subject to a First through the Meter/FTM, FTM Modified, or RP 2 LSM, the estimated demand (kW) value will equal the Customer’s takedown (kW) amount.

For the purpose of calculating a Billing Energy charge for an Estimated Bill, the energy charge will be calculated based on the Customer’s Load Split Methodology as follows:

- For Customers whose Allocation is subject to a Load Factor Sharing/LFS LSM, the estimated energy (kWh) will be based on the average of the Customer’s Billing Energy (kWh) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated energy value (kWh) will be equal to the takedown (kW) amount at 70 percent load factor for that Billing Period.

- For Customers whose Allocation is subject to a First through the Meter/FTM, FTM Modified, or RP 2 LSM, the estimated energy (kWh) will be equal to the takedown (kW) amount at 100 percent load factor for that Billing Period.

If data indicating the Customer’s actual demand and usage for any Billing Period in which an Estimated Bill was rendered is subsequently provided to the Authority, the Authority will make necessary adjustments to the corresponding Estimated Bill and, as appropriate, render a revised bill (or provide a credit) to the Customer.

The Minimum Monthly Charge provisions of Section III.D shall apply to Estimated Bills.

The Authority’s discretion to render Estimated Bills is not intended and shall not be construed to limit the Authority’s rights under the Agreement.
F. Adjustments to Charges

In addition to any other adjustments provided for in this Service Tariff, in any Billing Period, the Authority may make appropriate adjustments to billings and charges to address such matters as billing and payment errors, and the receipt of actual, additional, or corrected data concerning Customer energy or demand usage.

G. Billing Period

The Billing Period is any period of approximately thirty (30) days, generally ending with the last day of each calendar month but subject to the billing cycle requirements of the local electric utility in whose service territory the Customer’s facilities are located.

H. Billing Demand

Billing Demand shall be determined by applying the applicable billing methodology to total meter readings during the Billing Period. See Section IV.E, below.

I. Billing Energy

Billing Energy shall be determined by applying the applicable billing methodology to total meter readings during the Billing Period. See Section IV.E, below.

J. Contract Demand

The Contract Demand will be the amount of Expansion Power and/or Replacement Power, not to exceed the Allocation, provided by the Authority to the Customer in accordance with the Agreement.
IV. General Provisions

A. Character of Service

Alternating current; sixty cycles, three-phase.

B. Availability of Energy

1. Subject to Section IV.B.2, the Authority shall provide to the Customer in any Billing Period Firm Energy associated with Firm Power. The offer of Firm Energy for delivery shall fulfill the Authority’s obligations for purposes of this provision whether or not the Firm Energy is taken by the Customer.

2. In the event of an Adverse Water Condition, the rights and obligations of the Customer and Authority, including but not limited to such matters as Substitute Energy, Customer-Arranged Energy and responsibility for payment of costs associated therewith, will be governed by Article IX of the Agreement.

C. Delivery

For the purpose of this Service Tariff, Firm Power and Firm Energy shall be deemed to be offered when the Authority is able to supply Firm Power and Firm Energy to the Authority’s designated NYISO load bus. If, despite such offer, there is a failure of delivery caused by the Customer, NYISO or local electric utility, such failure shall not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules.

D. Adjustment of Rates

To the extent not inconsistent with the Agreement, the base rates contained in this Service Tariff may be revised from time to time on not less than thirty (30) days written notice to the Customer.
E. **Billing Methodology**

Unless otherwise specified in the Agreement, the following provisions shall apply:

1. The billing methodology used to determine the amount of Firm Power and Firm Energy to be billed to the Customer related to its Allocation shall be Load Factor Sharing (“LFS”) in a manner consistent with the Agreement and any applicable delivery agreement between the Authority and the Customer’s local electric utility or both as determined by the Authority. An alternative billing methodology may be used provided the Customer and the Authority agree in writing and the Customer’s local electric utility provides its consent if the Authority determines that such consent is necessary.

2. Billing Demand – The Billing Demand charged by the Authority to each Customer will be the highest 15 or 30-minute integrated demand, as determined by the Customer’s local electric utility, during each Billing Period recorded on the Customer’s meter multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer’s local electric utility provides its consent if the Authority determines that such consent is necessary. Billing Demand may not exceed the amount of the Contract Demand.

3. Billing Energy – The kilowatt-hours charged by the Authority to each Customer will be the total number of kilowatt-hours recorded on the Customer’s meter for the Billing Period multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer’s local electric utility provides its consent if the Authority determines that such consent is necessary.

4. With regard to LFS methodology calculations:

   a. For every hour of the Billing Period, the Customer receives hydropower energy (Firm Energy) equal to the hourly metered load multiplied by the ratio of Customer’s Contract Demand divided by the maximum hourly metered load value recorded in a given Billing Period, such ratio not to exceed the value of 1.

   b. When the maximum hourly metered demand for the Billing Period is less than or equal to the Contract Demand, all of the Customer’s metered load will be supplied by Firm Energy.

   c. When the maximum hourly metered demand for the Billing Period is greater than the Contract Demand, the portion of the Customer’s metered load to be supplied by Firm Energy is as follows:

      i. For Customer with hourly billing: the sum of the values, for each hour of the Billing Period, of the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the hourly metered energy consumption.

      ii. For Customer with monthly billing: the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the total metered energy consumption during the Billing Period.

   d. All demand values will be adjusted for losses.
F. Payment by Customer to Authority

1. Demand and Energy Charges, Taxes

   The Customer shall pay the Authority for Firm Power and Firm Energy during any Billing Period the higher of either (i) the sum of (a), (b) and (c) below, or (ii) the Minimum Monthly Charge (as defined herein):

   a. The demand charge per kilowatt for Firm Power specified in this Service Tariff or any modification thereof applied to the Customer’s Billing Demand (as defined in Section IV.E, above) for the Billing Period; and

   b. The energy charge per MWh for Firm Energy specified in this Service Tariff or any modification thereof applied to the Customer’s Billing Energy (as defined in Section IV.E, above) for the Billing Period; and

   c. A charge representing reimbursement to the Authority for all applicable Taxes incurred by the Authority as a result of providing Expansion Power and/or Replacement Power allocated to the Customer.

2. Transmission Charge

   The Customer shall compensate the Authority for all transmission costs incurred by the Authority with respect to the Allocation, including such costs that are charged pursuant to the OATT.

3. NYISO Transmission and Related Charges

   The Customer shall compensate the Authority for the following NYISO transmission and related charges (collectively, “NYISO Charges”) assessed on the Authority for services provided by the NYISO pursuant to its OATT or other tariffs (as the provisions of those tariffs may be amended and in effect from time to time) associated with providing Electric Service to the Customer:

   A. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time;

   B. Marginal losses;

   C. The New York Power Authority Transmission Adjustment Charge ("NTAC");

   D. Congestion costs inclusive of any rents collected or owed due to any associated grandfathered transmission congestion contracts as provided in Attachment K of the OATT;

   E. Any and all other charges, assessments, or other amounts associated with deliveries to Customers or otherwise associated with the Authority’s responsibilities as a Load Serving Entity for the Customers that are assessed on the Authority by the NYISO under the provisions of its OATT or under other applicable tariffs; and
F. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO’s Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another party.

The NYISO Charges, if any, incurred by the Authority on behalf of the Customer, are in addition to the Authority production charges that are charged to the Customer in accordance with other provisions of this Service Tariff.

The method of billing NYISO charges to the Customer will be based on Authority’s discretion.

4. Taxes Defined

Taxes shall be any adjustment as the Authority deems necessary to recover from the Customer any taxes, assessments or any other charges mandated by federal, state or local agencies or authorities that are levied on the Authority or that the Authority is required to collect from the Customer if and to the extent such taxes, assessments or charges are not recovered by the Authority pursuant to another provision of this Service Tariff.

5. Substitute Energy

The Customer shall pay for Substitute Energy, if applicable, as specified in the Agreement.

6. Payment Information

Bills computed under this Service Tariff are due and payable by electronic wire transfer in accordance with the Rules. Such wire transfer shall be made to J P Morgan Chase NY, NY / ABA021000021 / NYPA A/C # 008-030383, unless otherwise indicated in writing by the Authority. The Authority may in its discretion change the foregoing account and routing information upon notice to the Customer.

7. Billing Disputes

In the event that there is a dispute on any items of a bill rendered by the Authority, the Customer shall pay such bill in full. If necessary, any adjustments will be made thereafter.
G. Rendition and Payment of Bills

1. The Authority will render bills to the Customer for Electric Service on or before the tenth (10th) business day of the month for charges due for the previous Billing Period. Such bills shall include charges for Electric Service, NYISO Charges associated with the Allocation (subject to adjustment consistent with any later NYISO re-billings to the Authority), and all other applicable charges, and are subject to adjustment as provided for in the Agreement, the Service Tariff and the Rules.

2. The Authority will charge and collect from the Customer all Taxes (including local, state and federal taxes) the Authority determines are applicable, unless the Customer furnishes the Authority with proof satisfactory to the Authority that (i) the Customer is exempt from the payment of any such Taxes, and/or (ii) the Authority is not obligated to collect such Taxes from the Customer. If the Authority is not collecting Taxes from the Customer based on the circumstances described in (i) or (ii) above, the Customer shall immediately inform the Authority of any change in circumstances relating to its tax status that would require the Authority to charge and collect such Taxes from the Customer.

3. Unless otherwise agreed to by the Authority and the Customer in writing, the Authority will render bills to the Customer electronically.

4. Payment of bills by the Customer shall be due and payable by the Customer within twenty (20) days of the date the Authority renders the bill.

5. Except as otherwise agreed by the Authority in writing, if the Customer fails to pay any bill when due an interest charge of two percent of the amount unpaid will be added thereto as liquidated damages, and thereafter, as further liquidated damages, an additional interest charge of one and one-half percent of the sum unpaid shall be added on the first day of each succeeding Billing Period until the amount due, including interest, is paid in full.

6. If at any time after commencement of Electric Service the Customer fails to make complete payment of any two (2) bills for Electric Service when such bills become due pursuant to Agreement, the Authority shall have the right to require that the Customer deposit with the Authority a sum of money in an amount equal to all charges that would be due under this Agreement for Electric Service for two (2) consecutive calendar months as estimated by the Authority. Such deposit will be deemed security for the payment of unpaid bills and/or other claims of the Authority against the Customer upon termination of Electric Service. The failure or refusal of the Customer to provide the deposit within thirty (30) days of a request for such deposit will be grounds for the Authority in its discretion to suspend Electric Service to the Customer or terminate the Agreement.

Unless otherwise agreed to by the Authority and the Customer in writing, in the event the Customer disputes any item of any bill rendered by Authority, the Customer shall pay such bill in full within the time provided for by this Agreement, and adjustments, if appropriate, will be made thereafter.
H. **Adjustment of Charges – Distribution Losses**

The Authority will make appropriate adjustments to compensate for distribution losses of the local electric utility.

I. **Conflicts**

In the event of any inconsistencies, conflicts, or differences between the provisions of this Service Tariff and the Rules, the provisions of this Service Tariff shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of the Agreement and this Service Tariff or the Rules, the provisions of the Agreement shall govern.
V. **Annual Adjustment Factor**

A. **Adjustment of Rates**

1. The AAF will be based upon a weighted average of three indices described below. For each new Rate Year, the index value for the latest available calendar year (“Index Value for the Measuring Year”) will be compared to the index value for the calendar year immediately preceding the latest available calendar year (the Index Value for the Measuring Year -1”). The change for each index will then be multiplied by the indicated weights. As described in detail below, these products are then summed, producing the AAF. The AAF will be multiplied by the base rate for the current Rate Year to produce the base rates for the new Rate Year, subject to a maximum adjustment of ±5.0% (“±5% Collar”). Amounts outside the ±5% Collar shall be referred to as the “Excess.”

   **Index 1, “BLS Industrial Power Price” (35% weight):** The average of the monthly Producer Price Index for Industrial Electric Power, commodity code number 0543, not seasonally adjusted, as reported by the U.S. Department of Labor, Bureau of Labor Statistics (“BLS”) electronically on its internet site and consistent with its printed publication, “Producer Price Index Detailed Report”. For Index 1, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

   **Index 2, “EIA Average Industrial Power Price” (40% weight):** The average weighted annual price (as measured in cents/kWh) for electric sales to the industrial sector in the ten states of CT, MA, ME, NH, NJ, NY, OH, PA, RI and VT (“Selected States”) as reported by Coal and Electric Data and Renewables Division; Office of Coal, Nuclear, Electric and Alternate Fuels; Energy Information Administration (“EIA”); U.S. Department of Energy Form EIA-861 Final Data File. For Index 2, the Index Value for the Measuring Year will be the index for the calendar year two years preceding July 1 of the new Rate Year.

   **Index 3, “BLS Industrial Commodities Price Less Fuel” (25% weight):** The monthly average of the Producer Price Index for Industrial Commodities less fuel, commodity code number 03T15M05, not seasonally adjusted, as reported by the U.S. Department of Labor, BLS electronically on its internet site and consistent with its printed publication, “Producer Price Index Detailed Report”. For Index 3, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

2. **Annual Adjustment Factor Computation Guide**

   **Step 1:** For each of the three Indices, divide the Index Value for Measuring Year by the Index Value for the Measuring Year-1.

   **Step 2:** Multiply the ratios determined in Step 1 by percentage weights for each Index. Sum the results to determine the weighted average. This is the AAF.

   **Step 3:** Commencing RY 2014, modifications to the AAF will be subject to ±5% Collar, as described below.

   a) When the AAF falls outside the ±5% Collar, the Excess will be carried over to the subsequent RY. If the AAF in the subsequent RY is within the ±5% Collar, the current RY Excess will be added to/subtracted from the subsequent Rate Year’s AAF, up to the ±5% Collar.
b) Excesses will continue to accrue without limit and carry over such that they will be added to/subtracted from the AAF in any year where the AAF is within the ±5% Collar.

Step 4: Multiply the current Rate Year base rate by the AAF calculated in Step 2 to determine the new Rate Year base rate.

The foregoing calculation shall be performed by the Authority consistent with the sample presented in Section V.B below.

3. Subject to the provisions of Section III.A of this Service Tariff, the Authority shall provide the Customer with notice of any adjustment to the current base rate per the above and with all data and calculations necessary to compute such adjustment by June 15th of each year to be effective on July 1 of such year, commencing in 2014. The values of the latest officially published (electronically or otherwise) versions of the indices and data provided by the BLS and EIA as of June 1 shall be used notwithstanding any subsequent revisions to the indices.

4. If during the term of the Agreement any of the three above indices ceases to be available or ceases to be reflective of the relevant factors or of changes which the indices were intended to reflect, the Customer and the Authority may mutually select a substitute Index. The Customer and the Authority agree to mutually select substitute indices within 90 days, once one of them is notified by the other that the indices are no longer available or no longer reflect the relevant factors or changes which the indices were intended to reflect. Should the 90-day period cover a planned July 1 rate change, the current base rates will remain in effect until substitute indices are selected and the adjusted rates based on the substitute indices will be retroactive to the previous July 1. If the Customer and Authority are unable to reach agreement on substitute indices within the 90-day period, the Customer and the Authority agree to substitute the mathematic average of the PPI—Intermediate Materials, Supplies and Components (BLS Series ID WPUSOP2000) and the PPI—Finished Goods (BLS Series ID WPUSOP3000) indices for one or more indices that have ceased to be available or reflective of their intended purpose and shall assume the percentage weighting(s) of the one or more discontinued indices as indicated in Section V.A.1.
### B. Sample Computation of the AAF (hypothetical values for July 1, 2014 implementation):

**STEP 1**

Determine the Index Value for the Measuring Year (MY) and Measuring Year - 1 (MY-1) for Each Index

- **Index 1 - Producer Price Index, Industrial Power**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>171.2</td>
<td>167.8</td>
</tr>
<tr>
<td>February</td>
<td>172.8</td>
<td>167.6</td>
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<tr>
<td>March</td>
<td>171.6</td>
<td>168.2</td>
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<tr>
<td>April</td>
<td>173.8</td>
<td>168.6</td>
</tr>
<tr>
<td>May</td>
<td>175.1</td>
<td>171.6</td>
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<tr>
<td>June</td>
<td>185.7</td>
<td>180.1</td>
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<tr>
<td>July</td>
<td>186.4</td>
<td>182.7</td>
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<tr>
<td>August</td>
<td>184.7</td>
<td>179.2</td>
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<tr>
<td>September</td>
<td>185.5</td>
<td>181.8</td>
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<td>October</td>
<td>175.5</td>
<td>170.2</td>
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<tr>
<td>November</td>
<td>172.2</td>
<td>168.8</td>
</tr>
<tr>
<td>December</td>
<td>171.8</td>
<td>166.6</td>
</tr>
</tbody>
</table>

**Average** 177.2 172.8

**Ratio of MY/MY-1** 

1.03
- **Index 2 – EIA Industrial Rate**

<table>
<thead>
<tr>
<th>State</th>
<th>Revenues ($000s)</th>
<th>Sales (MWh)</th>
<th>Avg. Rate (cents/kWh)</th>
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<tbody>
<tr>
<td><strong>Measuring Year (2012)</strong></td>
<td></td>
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<tr>
<td>CT</td>
<td>590,972</td>
<td>6,814,757</td>
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<tr>
<td>MA</td>
<td>1,109,723</td>
<td>13,053,806</td>
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</tr>
<tr>
<td>ME</td>
<td>328,594</td>
<td>4,896,176</td>
<td></td>
</tr>
<tr>
<td>NH</td>
<td>304,363</td>
<td>2,874,495</td>
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<tr>
<td>NJ</td>
<td>1,412,665</td>
<td>15,687,873</td>
<td></td>
</tr>
<tr>
<td>NY</td>
<td>2,001,588</td>
<td>26,379,314</td>
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<td>OH</td>
<td>3,695,978</td>
<td>78,496,166</td>
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<td>PA</td>
<td>3,682,192</td>
<td>63,413,968</td>
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<td>RI</td>
<td>152,533</td>
<td>1,652,593</td>
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<tr>
<td>VT</td>
<td>155,903</td>
<td>2,173,679</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>13,434,511</td>
<td>215,442,827</td>
<td><strong>6.24</strong></td>
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</table>

<table>
<thead>
<tr>
<th>State</th>
<th>Revenues ($000s)</th>
<th>Sales (MWh)</th>
<th>Avg. Rate (cents/kWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Measuring Year -1 (2011)</strong></td>
<td></td>
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<tr>
<td>CT</td>
<td>579,153</td>
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<td>MA</td>
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<td>ME</td>
<td>310,521</td>
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<td>NH</td>
<td>298,276</td>
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<td>NJ</td>
<td>1,370,285</td>
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<td>NY</td>
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<td>3,622,058</td>
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<td>RI</td>
<td>144,144</td>
<td>1,561,700</td>
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<tr>
<td>VT</td>
<td>152,785</td>
<td>2,130,205</td>
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<td><strong>TOTAL</strong></td>
<td>13,016,880</td>
<td>209,059,931</td>
<td><strong>6.23</strong></td>
</tr>
</tbody>
</table>

**Ratio of MY/MY-1**  

1.00
**Index 3 – Producer Price Index, Industrial Commodities Less Fuel**

<table>
<thead>
<tr>
<th>Measuring Year</th>
<th>Measuring Year -1</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>190.1</td>
</tr>
<tr>
<td>February</td>
<td>190.9</td>
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<tr>
<td>March</td>
<td>191.6</td>
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<tr>
<td>April</td>
<td>192.8</td>
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<tr>
<td>May</td>
<td>194.7</td>
</tr>
<tr>
<td>June</td>
<td>195.2</td>
</tr>
<tr>
<td>July</td>
<td>195.5</td>
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<tr>
<td>August</td>
<td>196.0</td>
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<tr>
<td>September</td>
<td>196.1</td>
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<tr>
<td>October</td>
<td>196.2</td>
</tr>
<tr>
<td>November</td>
<td>196.6</td>
</tr>
<tr>
<td>December</td>
<td>196.7</td>
</tr>
</tbody>
</table>

Average: 194.4  191.5

Ratio of MY/MY-1: **1.02**

**STEP 2**

Determine AAF by Summing the Weighted Indices

<table>
<thead>
<tr>
<th>Index</th>
<th>Ratio of MY to MY-1</th>
<th>Weight</th>
<th>Weighted Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPI Industrial Power</td>
<td>1.03</td>
<td>0.35</td>
<td>0.361</td>
</tr>
<tr>
<td>EIA Industrial Rate</td>
<td>1.00</td>
<td>0.40</td>
<td>0.400</td>
</tr>
<tr>
<td>PPI Industrial Commodities less fuel</td>
<td>1.02</td>
<td>0.25</td>
<td><strong>0.255</strong></td>
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<tr>
<td>AAF</td>
<td></td>
<td></td>
<td><strong>1.016</strong></td>
</tr>
</tbody>
</table>

**STEP 3**

Apply Collar of ±5.0% to Determine the Maximum/Minimum AAF.

-5.0% < 1.6% < 5.0%; collar does not apply, assuming no cumulative excess.
## STEP 4

Apply AAF to Calculate the New Rate Year Base Rate

<table>
<thead>
<tr>
<th></th>
<th>Demand $/kW-mo.</th>
<th>Energy $/MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Rate Year Base Rate</td>
<td>7.56</td>
<td>12.91</td>
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<td>New Rate Year Base Rate</td>
<td>7.68</td>
<td>13.12</td>
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</tbody>
</table>
**Application Summary**

**Expansion Power ("EP")**

**Company:** Niagara Refining LLC (“Niagara Refining”)

**Location:** Depew, NY

**County:** Erie County

**IOU:** National Grid

**Business Activity:** The company is a manufacturer of tungsten raw materials.

**Project Description:** Niagara Refining is proposing a multifaceted expansion project at its Depew facility which includes the installation of several critical systems.

**Existing Allocation(s):** 2,500 kW of Replacement Power (“RP”)

**Power Request:** 670 kW of EP

**Power Recommended:** 400 kW of EP

**Job Commitment:**
- **Base:** 50
- **New:** At least 4 jobs

**New Jobs/Power Ratio:** 10 jobs/MW

**New Jobs - Avg. Wage and Benefits:** $50,000

**Capital Investment:** At least $8.3 million

**Capital Investment/MW:** $20.8 million/MW

**Other ED Incentives:** None

**Summary:**

Niagara Refining is proposing to expand operations at its Depew site through the purchase and installation of several new systems. The project would include a hard metal scrap treatment system, a low-grade pre-treatment system, an ammonia decomposition system, and a reclaiming system. In addition, hammer mill equipment would be purchased to convert oversized raw materials into finer particles for processing.

The company anticipates that the project would improve efficiencies, lower raw material costs, and reduce ammonia emissions at the site. An allocation of low-cost hydropower could incentivize Niagara Refining to consider additional expansion opportunities in Depew in the future.
Date: January 25, 2022

To: THE TRUSTEES and CANAL CORPORATION BOARD OF DIRECTORS

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Procurement (Services) and Other Contracts – Business Units and Facilities – Awards, Extensions and/or Additional Funding

SUMMARY

The Trustees and Board of Directors (“Board”) are requested to approve, as applicable, the award and funding of the multiyear procurement (services) contracts listed in Exhibit “A,” in support of projects and programs for the Authority’s and Canal Corporation’s Business Units/Departments and Facilities. Detailed explanations of the recommended awards and extensions, including the nature of such services, the basis for the new awards if other than to the lowest-priced, lowest total cost of ownership or “best valued” bidders and the intended duration of such contracts, or the reasons for the extension and the projected expiration dates, are set forth in the discussion below.

BACKGROUND

Section 2879 of the Public Authorities Law and the Authority’s and Canal Corporation’s Guidelines for Procurement Contracts require Authority Trustee and Canal Board approval for procurement contracts involving services to be rendered for a period more than one year.

The Authority’s and Canal Corporation’s Expenditure Authorization Procedures (“EAPs”) require Trustee and Board approval for the award of non-personal services, construction, equipment purchase or non-procurement contracts more than $10 million, as well as personal services contracts more than $10 million if low bidder or best value, or $1 million if sole-source, single-source, or other non-competitive awards.

The Authority’s and Canal Corporation’s EAPs also require Trustee and Board approval when the cumulative change order value of a personal services contract exceeds $500,000, or when the cumulative change order value of a non-personal services, construction, equipment purchase, or non-procurement contract exceeds the greater of $6 million or 25% of the originally approved contract amount not to exceed $6 million.

DISCUSSION

Awards

The Trustees and Board are requested to approve the award and funding of the multiyear procurement (services) contracts, as applicable, listed in Exhibit “A,” where the EAPs require approval based upon contract value or the terms of the contracts will be more than one year. Except as noted, these contracts contain provisions allowing the Authority and Canal Corporation to terminate the services for the Authority’s and Canal Corporation’s convenience, without liability other than paying for acceptable services rendered to the effective date of termination. Approval is also requested for funding all contracts. Except as noted, these contract awards do not obligate the Authority and Canal Corporation to a specific level of personnel resources or expenditures.
The issuance of multiyear contracts is recommended from both cost and efficiency standpoints. In many cases, reduced prices are negotiated for these long-term contracts. Since these services are typically required on a continuous basis, it is more efficient to award long-term contracts than to rebid these services annually.

**Extensions**

Although the firms identified in Exhibit “B” have provided effective services, the issues or projects requiring these services have not been resolved or completed and the need exists for continuing these contracts. Trustee and Board approval is required, as applicable, because the terms of these contracts will exceed one year including the extension, the term of extension of these contracts will exceed one year and/or because the cumulative change-order limits will exceed the levels authorized by the EAPs in forthcoming change orders. The subject contracts contain provisions allowing the Authority and Canal Corporation to terminate the services at the Authority’s and Canal Corporation convenience, without liability other than paying for acceptable services rendered to the effective date of termination. These contract extensions do not obligate the Authority and Canal Corporation to a specific level of personnel resources or expenditures.

Extension of the contracts identified in Exhibit “B” is requested for one or more of the following reasons: (1) additional time is required to complete the current contractual work scope or additional services related to the original work scope; (2) to accommodate an Authority and Canal Corporation or external regulatory agency schedule change that has delayed, reprioritized or otherwise suspended required services; (3) the original consultant is uniquely qualified to perform services and/or continue its presence and rebidding would not be practical or (4) the contractor provides proprietary technology or specialized equipment, at reasonable negotiated rates, that the Authority and Canal Corporation needs to continue until a permanent system is put in place.

The following is a detailed summary of each recommended contract award and extension.

**Authority Contract Awards in Support of Business Units/Departments and Facilities:**

**Business Services – Corporate Insurance**

Due to the need to meet and maintain the Authority’s project schedule, the proposed personal services contract with PMA Management Corporation (“PMA”) (4600004201), for Workers Compensation Administrative services became effective January 1, 2022, with an interim award amount of $195,600 subject to Trustee ratification which is hereby requested, in accordance with the Authority’s Guidelines for Procurement Contracts and EAP’s. The Authority has been self-insured for workers’ compensation since 1995 and the Canals Corp. has been self-insured since 2018. PMA Management Corporation, a wholly owned subsidiary of PMA Capital Corp., has been our third-party administrator since 2011. The current contract expires on December 31, 2021, which necessitated the issuance of this RFP. The work includes but is not limited to claims administration, reporting, loss information, and financial reporting on the Authority’s and Canals Workers’ Compensation Program. The Request for Quotations was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Eighteen firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. Six proposals were received electronically via Ariba and were evaluated. Staff recommends the award of contract to PMA which is technically and commercially qualified, and also the incumbent. The $1,040,000 award is for a term of five years.

**Human Resources & Administration – Digital Warehouse**

The proposed non-personal services contract with Cityside Archives LLC (“Cityside”) (Q21-7208JW), would provide Warehouse Storage services. The Authority uses a third-party provider to transport, catalog, and retrieve the Authorities’ vital records using their offsite storage facilities. The current contract is expiring on January 31, 2022. The Authority is seeking an environmentally controlled
space to archive records including vital records needed for disaster recovery. The Request for Quotations was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Five firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. One proposal was received electronically via Ariba and was evaluated. Staff recommends the award of contract to Cityside which is technically and commercially qualified, and also the incumbent. The $500,000 award is for a term of five years. Cityside is a Small Business Enterprise.

**Operations – Engineering**

The proposed non-personal services contract with Kinectrics AES, Inc. (“Kinectrics”) (Q21-7180AP), would provide Ground Grid Testing Program. The Program covers testing and analysis to evaluate the ground grid systems at the Authority’s owned stations. These stations may be generating facilities and switchyards, or substations located within New York State. The ground evaluation will be performed with a series of ground measurements from which a validated model of the grounding system will be developed. The validated model will be used to determine (a) the adequacy of the grounding system as defined in the standards below in particular the IEEE Std. 80 and (b) the integrity of the grounding system ensuring that all vital components (power transformers, breakers, and instrument transformers) of the system are properly grounded. In addition, the lightning shielding performance of the power project will be included in this study, expressed as the probability of a lightning shielding failure for all major components of the switchyard. The Request for Quotations was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Six firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. Four proposals were received electronically via Ariba and were evaluated. Staff recommends the award of contract to Kinectrics which is technically and commercially qualified. The $5 million award is for a term of five years. Kinectrics is a Small Business Enterprise.

**Operations – Project & Construction Management**

The proposed personal services contract with LaBella Associates, DPC (“LaBella”) (Q21-7207CC), would provide engineering services for Blenheim-Gilboa (“BG”) Visitor Center Upgrade. The BG Visitor Center is housed in a 19th century dairy barn located at 1378 State Route 30 in North Blenheim, NY. The building is a two-story post and beam structure with a total floor area of approximately 10,450 square feet. The space is utilized as a theater and exhibit space with interactive displays related to the production of power at the BG Power Plant and is open to the public. The current condition of the building envelope allows for thermal and moisture leaks, resulting in significant energy loss. The structural support system of the building is overstressed per previous Engineering assessment. Upgrading the building envelope and repairing the structural support system will improve energy efficiency, maintain a safe environment for visitors, preserving the historic building and reduce the cost of operation over a long term. In addition, the old and outdated exhibit will be replaced by modern exhibits, allowing for a better and more interactive experience for the visitors. The BG Visitor Center Upgrade Project is a commitment to FERC for the BG Power Project’s 50-year license renewal. The Request for Quotations was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Six firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. Six proposals were received electronically via Ariba and were evaluated. Staff recommends the award of contract to LaBella which is technically and commercially qualified. The $699,996 award is for a term of four years.

**Operations – Project & Construction Management**

The proposed construction services contract with Plank LLC (“Plank”) (Q21-7201DK), would provide Blenheim-Gilboa (“BG”) Upper Complex Repurpose Project services. The BG Pumped Storage Power Project, about 60 miles from Albany, uses hydroelectric technology and two large reservoirs at different altitudes to generate up to 1,160,000 kilowatts of electricity. BG needs additional meeting space for more effective on-site trainings, collaborative meetings, as well as for larger gatherings, such
as in-person all-hands meetings. In addition, the current warehouse has experienced deterioration over the years and is in need of repairs. The project scope includes converting the west end of the existing warehouse into an assembly space by separating it from the rest of the building with a new 3-hour fire rated CMU wall. The assembly area will include new restroom facilities, HVAC upgrades to comply with new energy codes, and a water treatment system to meet the demand. The building will receive a new roof over the existing roof. There will also be minimal site work, including the development of a new water well, minimum underground utility work, and parking lot striping to provide handicap spaces in compliance with ADA requirements. The Request for Quotations was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Twenty-five firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. Three proposals were received electronically via Ariba and were evaluated. Staff recommends the award of contract to Plank which is technically and commercially qualified. The $1,944,000 award is for a term of 18-months. Plank is a Small Business Enterprise.

Canal Corporation Contract Awards in Support of Business Units/Departments and Facilities:

N/A

Authority Extensions and/or Additional Funding Requests:

Operations – Project & Construction Management

On January 1, 2018, the Authority issued five-year personal services contracts to AECOM USA, Inc. (“AECOM”) (4600003423), CHA Consulting, Inc. (“CHA”) (4600003426) and K&A Engineering Consulting PC fka K&L Engineering Consulting PC (“K&A Engineering”) (4600003425) in the aggregate amount of $25 million for the On-Call Program / Project Management Services. At the September 2018 Trustee Meeting, $15 million in additional funding was approved for the On-Call Program / Project Management Services contracts. With the growing number of infrastructure modernization, strategic initiative and energy efficiency projects, the Authority has a need to retain and utilize qualified program / project / construction management firms to support these major projects for the Authority. These contracts expire on December 11, 2022. Staff requests Trustee approval for additional funding in the aggregate amount of $2 million to continue the ongoing support for Program Management, Project Management, and Document Control Support Services to the Communication Backbone Project, SG&T Program Management, Sensor Deployment, and TLEM Program. K&A Engineering is a NYS certified Minority-owned Business Enterprise and a Small Business Enterprise.

Canal Corporation Extensions and/or Additional Funding Requests:

Operations – Waterway Maintenance

On January 20, 2021, the Authority issued a one-year construction contract to Lupini Construction, Inc. (“Lupini”) (4700000082) in the amount of $500,000 to perform injection grouting, masonry, and specialized concrete repair services. The impetus for this original request was the need to engage a qualified contractor that specialized in injection grouting to quickly address leaks encountered in the lock chambers after the initial pump-out was completed. Quickly cutting off these leaks saves in dewatering efforts for the pumps and prevents the accumulation of ice buildup within lock tunnels, walls and especially floors, thereby minimizing slip/fall incidents. During this initial term, Lupini Construction performed work at Sections 3 (Locks 10 and 11), Section 6 (Locks CS2-3), and Section 8 (Lock 35). All work was performed satisfactorily and within the time frames required. Staff requests interim approval from January 19, 2022, through January 25, 2022, to provide on-demand injection grouting, masonry, and specialized concrete repair services as needed as well as Trustee approval for an extension through January 24, 2025. No additional funding is being requested at this time. Lupini is a NYS certified Women-owned Business Enterprise.
FISCAL INFORMATION

Funds required to support contract services for various Business Units/Departments and Facilities have been included in the 2021 and/or 2022 Approved Operating or Capital Budget. Funds for subsequent years, where applicable, will be included in the budget submittals for those years. Payment will be made from the Operating or Capital Fund, as applicable.

Funds required to support contract services for capital projects have been included as part of the approved capital expenditures for those projects and will be disbursed from the Capital Fund in accordance with the project’s Capital Expenditure Authorization Request, as applicable.

RECOMMENDATION

The Senior Vice President – Operations Support Services and Chief Engineer; the Senior Vice President – Project Delivery; the Vice President – Strategic Supply Management; the Vice President – Chief Risk & Resilience Officer; the Vice President – Human Resources & Organizational Development; the Regional Manager NYSCC; recommend that the Trustees and Board approve the award of multiyear procurement (services) and other contracts to the companies listed in Exhibit “A,” and the extension and/or funding of the procurement (services) contracts listed in Exhibit “B,” for the purposes and in the amounts discussed within the item and/or listed in the respective exhibits.

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 pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation, the award and funding of the multiyear procurement services contracts set forth in Exhibit “A,” attached hereto, are hereby approved for the period of time indicated, in the amounts and for the purposes listed therein, as recommended in the foregoing memorandum of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation, the contracts listed in Exhibit “B,” attached hereto, are hereby approved and extended for the period of time indicated, in the amounts and for the purposes listed therein, as recommended in the foregoing memorandum of the Interim President and Chief Executive Officer; and be it further

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

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<tr>
<th>Plant Site</th>
<th>Company Name</th>
<th>Contract #</th>
<th>Start of Contract</th>
<th>Description of Contract</th>
<th>Closing Date</th>
<th>Award Basis1</th>
<th>Contract Type2</th>
<th>Compensation Limit</th>
<th>Amount Expended To Date</th>
<th>Expected Expenditures For Life Of Contract</th>
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<td><strong>NYPA-</strong></td>
<td>PMA MANAGEMENT CORPORATION</td>
<td>Blue Bell, PA (4600004201)</td>
<td>01/01/22</td>
<td>Provide Workers Compensation Administrative services</td>
<td>12/31/26</td>
<td>B/P</td>
<td>$195,600</td>
<td></td>
<td>$1,040,000*</td>
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<td><strong>BUSINESS SERVICES – CORPORATE INSURANCE</strong></td>
<td>CITYSIDE ARCHIVES LLC</td>
<td>Edison, NJ (Q21-7208JW)</td>
<td>01/25/22 (on or about)</td>
<td>Provide Warehouse Storage services</td>
<td>01/24/27</td>
<td>B/S</td>
<td></td>
<td></td>
<td>$500,000*</td>
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<td><strong>OPERATIONS – ENGINEERING</strong></td>
<td>KINECTRICS AES, INC.</td>
<td>Naperville, IL (Q21-7180AP)</td>
<td>01/25/22 (on or about)</td>
<td>Provide Ground Grid Testing services</td>
<td>12/06/26</td>
<td>B/S</td>
<td></td>
<td></td>
<td>$5 million*</td>
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<td><strong>OPERATIONS – PROJECT &amp; CONSTRUCTION MANAGEMENT</strong></td>
<td>LABELLE ASSOCIATES, DPC</td>
<td>Rochester, NY (Q21-7207CC)</td>
<td>01/25/22 (on or about)</td>
<td>Provide Blenheim-Gilboa Visitor Center Upgrade</td>
<td>01/24/26</td>
<td>B/P</td>
<td></td>
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<td>$699,996*</td>
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<tr>
<td><strong>OPERATIONS – PROJECT &amp; CONSTRUCTION MANAGEMENT</strong></td>
<td>PLANK LLC</td>
<td>Schenectady, NY (Q21-7201DK)</td>
<td>01/25/22 (on or about)</td>
<td>Provide Blenheim-Gilboa Upper Complex Repurpose Project services</td>
<td>07/24/23</td>
<td>B/C</td>
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<td>$1,944,000*</td>
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<td><strong>CANALS-</strong></td>
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**Notes:**
- *Note: represents total for up to 5-year term.
- *Note: represents total for up to 4-year term.
- *Note: represents total for up to 18-month term.

**M / WBE:** New York State-certified Minority / Women-owned Business Enterprise (indicated by the ♦ symbol after the Company Name)

**Award Basis:**
- B = Competitive Bid; S = Sole Source; Si = Single Source; C = Competitive Search

**Contract Type:**
- P = Personal Service; S = (Non-Personal) Service; C = Construction; E = Equipment; N = Non-Procurement; A = Architectural & Engineering Service; L = Legal Service
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<th>Start of Contract</th>
<th>Description of Contract</th>
<th>Closing Date</th>
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<th>Contract Type²</th>
<th>Compensation Limit</th>
<th>Authorized Expenditures For Life Of Contract</th>
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<td>OPERATIONS – PROJECT &amp; CONSTRUCTION MANAGEMENT</td>
<td>Q17-6298JGM – 3 Vendors</td>
<td>01/01/18</td>
<td>Provide On-Call Program / Project Management Services</td>
<td>12/11/22</td>
<td>B/P</td>
<td>$42 million*</td>
<td>$15,424,446.32</td>
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<tr>
<td>1. AECOM USA, INC.</td>
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<td>Q17-6298JGM – 3 Vendors</td>
<td>01/01/18</td>
<td>Provide On-Call Program / Project Management Services</td>
<td>12/11/22</td>
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<td>2. CHA CONSULTING, INC.</td>
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<td>Q17-6298JGM – 3 Vendors</td>
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<td>3. K&amp;A ENGINEERING CONSULTING PC fka K&amp;L ENGINEERING CONSULTING PC</td>
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<td>Q17-6298JGM – 3 Vendors</td>
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<td>Provide On-Call Program / Project Management Services</td>
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<td><strong>CANAL –</strong></td>
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<td>OPERATIONS – WATERWAY MAINTENANCE</td>
<td>LUPINI CONSTRUCTION, INC.</td>
<td>01/20/21</td>
<td>Provide injection grouting, masonry and specialized concrete repair services</td>
<td>01/24/25</td>
<td>B/C</td>
<td>$101,224.00</td>
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<td>1 Award Basis: B= Competitive Bid; C= Competitive Search; S= Sole Source; Si = Single Source</td>
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<td>2 Contract Type: P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; L= Legal Service</td>
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Date: January 25, 2022

To: THE TRUSTEES

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Smart Path Connect Project - Acquisition of 1.536 Acres of Real Property, Town of Massena, County of St. Lawrence

SUMMARY

The Trustees are requested to authorize the acquisition by purchase or eminent domain of approximately 1.536 acres of real property presently owned by Bonnie-Jean E. LaPradd (“LaPradd”) in the Town of Massena, County of St. Lawrence, for the sum of Three Hundred Two Thousand Five Hundred Dollars ($302,500.00).

BACKGROUND

The Authority’s Expenditure Authorization Procedures governing real estate require the Trustees’ approval for the acquisition of fee interests in real property where the fair market value exceeds $250,000.

This acquisition is in support of the Smart Path Connect Project (“Project”), the goal of which is to allow for renewable generation from northern New York regions to be transmitted to higher load areas of the state, to improve the NYS renewable energy consumption, as well as the efficiency of energy pricing throughout the state.

DISCUSSION

At the request of Project Development, Real Estate staff was directed to acquire real property suitable for the construction of the new Haverstock substation along Fregoe Road in the Town of Massena. This expansion involves acquisition of land in fee from three landowners, including LaPradd. Real Estate staff was able to negotiate an agreement with LaPradd to acquire a one-year option to purchase approximately 1.536 acres for a total consideration of $302,500, with an upfront option fee of $5,000. This property is currently improved by a one-family home. On October 22, 2021, the Vice President – Project and Business Development authorized entry into the option agreement and LaPradd executed the agreement on November 22, 2021.

The $5,000 option fee will be applied to the purchase price but is non-refundable if the Authority chooses not to exercise the purchase option. Staff believes the price is justified due to the strategic location of the property in support of Project needs, the limited availability of sufficient buildable land in the immediate vicinity, and the increased competition for land close to transmission assets due to the rapid expansion of independent large-scale renewable projects in the area.
FISCAL INFORMATION

Funds required for the acquisition will come from the Authority’s Capital Fund.

RECOMMENDATION

The Vice President – Project and Business Development and the Vice President – Enterprise Shared Services recommend that the Trustees approve the exercise of an option agreement to acquire approximately 1.536 acres of real property presently owned by Bonnie-Jean E. LaPradd in the Town of Massena, County of St. Lawrence, for the sum of Three Hundred Two Thousand Five Hundred Dollars ($302,500.00).

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 Interim President and Chief Executive Officer and the Vice President - Enterprise Shared Services be, and hereby are, authorized to acquire, by purchase or eminent domain, a fee interest in approximately 1.536 acres of real property, presently owned by Bonnie-Jean E. LaPradd, located in the Town of Massena, St. Lawrence County, on substantially the terms set forth herein, subject to approval of documents by the Interim Executive Vice President and General Counsel or her designee; and be it further

RESOLVED, That the Vice President – Enterprise Shared Services, or designee, is hereby authorized to execute any and all other agreements, papers, or instruments on behalf of the Authority that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Interim Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates, and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.
Date: January 25, 2022

To: THE TRUSTEES

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Adjustment to Westchester County Governmental  
Customer Cost of Service and Rates – Notice of Adoption

SUMMARY

The Trustees are requested to approve an adjustment to the Cost of Service (“COS”) and associated rates for the sale of firm power to the Westchester County Governmental Customers (“Customers”) in 2022. This proposed action is consistent with the rate-setting process set forth in the 2006 Supplemental Electricity Agreements executed by the Customers and the Authority and in accordance with the State Administrative Procedure Act (“SAPA”).

As part of this final proposed action, Authority staff is seeking approval to adjust the COS by $4.98 million, or 20.6%, as compared to the 2021 COS and rates. The proposed increase is driven by a projected $4.95 million increase in variable costs and a $31 thousand increase in the fixed costs component of currently effective production costs. The resulting production rates would be effective as of the January 2022 billing period.

BACKGROUND

At their meeting on October 19, 2021, the Trustees directed the publication in the New York State Register of a notice that the Authority proposed to adjust the COS and associated rates by 20.6%, for rate year 2022. The proposed adjustment was driven by an estimated increase in purchase power costs, which are reconciled to actual variable costs incurred by the Authority to serve the Customers, as well as a slight increase in shared services expenses at the Headquarters facilities. The State Register notice was published on October 19, 2021 in accordance with the SAPA. The sixty-day public comment period was then established and subsequently closed on January 3, 2022. The Customers and the general public were encouraged to send in any comments concerning these rates during the 60-day public comment period under SAPA. There were no public comments received during the comment period.

The Authority’s policies and procedures call for a public forum if the fixed costs component of the proposed rate action exceeds a 2.0% increase. As such, the Authority held a virtual public forum on December 9, 2021. No comments were received during the public forum. The public forum transcript is attached as Exhibit “A”.

123 Main Street, White Plains, NY 10601 | 914-681-6200 | www.nypa.gov
DISCUSSION

The proposed adjustment is based on a *pro-forma* Cost of Service prepared by the Authority staff. As part of this final proposed action, the fixed costs component is expected to increase by $31 thousand from $1.49 million in 2021 to $1.52 million in 2022. The proposed increase is primarily driven by an increase in Headquarters expenses due to increases in non-recurring projects. This increase in Headquarters expense is slightly offset by a decrease in Small Hydro Operations & Maintenance non-recurring expenses.

The variable costs component of rates is estimated based on the market price snapshot at the time of the COS development. Due to the market’s variability, the Authority passes through all variable costs to the Customers by way of an Energy Charge Adjustment ("ECA") cost-recovery mechanism. This ECA mechanism reconciles through a monthly charge or credits the difference between the projected variable costs of electricity recovered by the tariff rates and the monthly actual variable costs incurred by the Authority to serve the Customers. The estimated variable costs component is projected to increase $4.95 million from $22.64 million in the Final 2021 COS to $27.59 million in the Final 2022 COS. The primary cost element, energy purchases, is projected to be $23.49 million in 2022 and accounts for 81% of the total production costs. Over the past four years, Customers have experienced savings associated with NYPA supply and received COS and rate decreases. With market prices starting to rebound from COVID-19 effects and a strong rally in gas prices, staff is expecting 2022 market energy rates to reach levels reminiscent of 2018 and 2019. As such, staff is projecting 2022 energy prices to be higher than those that were projected for 2021 and incorporated into the rates that are currently in effect. Further contributing towards the increase in purchase power expenses are higher capacity costs, due to a projected increase in Lower Hudson Valley and Rest of State capacity prices.

Based on staff analysis, the Final 2022 Westchester County Governmental Customers' COS is $29.11 million.

The current 2021 and final 2022 proposed rates with the COS and rate adjustment are shown in Exhibit "B".

FISCAL INFORMATION

The proposed adjustment is based on a *pro-forma* COS, and through an adjustment of base rates and the application of the ECA mechanism, staff anticipates that the Authority will recover all costs incurred in serving the Customers. The adoption of the 2022 COS and production rates would have no effect on NYPA’s financial position.

RECOMMENDATION

The Vice President – Finance and the Senior Vice President – Finance recommend that the Trustees authorize the Corporate Secretary to file a Notice of Adoption with the New York State Department of State for publication in the New York *State Register* for the adoption of a production Cost of Service and rates adjustment applicable to the Authority’s Westchester County Governmental Customers.
The Trustees are also requested to authorize the Senior Director - Key Account Management, or his designee, to issue written notice of adoption and the revised tariff leaves, as necessary, to the affected 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 Senior Director - Key Account Management, or his designee, be, and hereby is, authorized to issue written notice to the affected Customers of this final action by the Trustees for a 20.6% adjustment of the Cost of Service and associated rates applicable to the Westchester County Governmental Customers as set forth in the foregoing memorandum of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Corporate Secretary of the Authority be, and hereby is, directed to file such notices as may be required with the Secretary of State for publication in the New York State Register and to submit such other notice as may be required by statute or regulation concerning the Cost of Service and rates adjustment; and be it further

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

PROPOSED INCREASE IN THE FIXED COSTS
COMPONENT OF THE PRODUCTION RATES FOR
WESTCHESTER COUNTY GOVERNMENTAL CUSTOMERS

December 9, 2021
11:00 a.m. - 3:00 p.m.
123 Main Street
White Plains, New York 10601

PRESENT:
KAREN DELINCE
EVIE DAVIS
SAGAR SHARMA
LORNA JOHNSON
KAREN DELINCE: Good morning. This Public Forum on the proposed increase in the fixed costs component of the production rates for the Authority's Westchester County governmental customers is being conducted pursuant to a Power Authority policy adopted by the Trustees in 1990.

My name is Karen Delince, and I'm the Authority's Corporate Secretary.

This Public Forum is not required by law and is being held in addition to the State Administrative Procedure Act process. The SAPA process, which provides for a 60-day public comment period, began on November 3, 2021, and is scheduled to end on January 3, 2022.

The purpose of this forum is to offer affected customers and the general public an opportunity to present data, views, and positions for the Authority's Trustees to consider prior to taking final action on the proposed rate change.

If you plan to make an oral statement, please write your name and affiliation in the chat function.

Also, if you have a written statement, you can mail or e-mail it to the Corporate Secretary.

Both oral and written statements will be included in the official record. The record will remain open for additional comments through close of business, Monday, January 3rd, 2022.

Additional comments should be mailed, faxed, or emailed to the Corporate Secretary at: 123 Main Street, 9-B, White Plains, New York 10601; or 914-390-8040; or secretars.office@nypa.gov.

At this point, I would like to introduce Evie Davis, the Authority's Manager of Revenue & Pricing Analysis, who will provide additional details on the proposed rate change for the Westchester County Governmental Customers.

Thank you. Ms. Davis.

EVIE DAVIE: Thank you, Ms. Delince.

Good morning. My name is Evie Davis and I'm the Manager of Revenue & Pricing Analysis at New York Power Authority.

I'm here today to present an overview of the proposed adjustment in the Cost of Service and electricity supply rate that NYPA charges its Westchester County governmental customers.

It is important to note that the delivery service and associated charges for these customers are provided by Consolidated Edison of New York and not by NYPA.

The Authority provides electricity to governmental customers in Westchester County, which includes the County of Westchester, school districts, housing authorities, cities, towns, and villages.

The basis for providing electricity supply service is contained in the Supplemental Electricity Agreements with Westchester Customers. Under the Supplemental Agreements, the Authority is permitted to modify the customers’ rates, for rate subsequent to 2007, at any time based on a fully-supported pro
forma cost-of-service subject to customer review, comment and compliance with the State Administrative Procedure Act process.

These agreements also allow the Authority to apply an Energy Charge Adjustment mechanism to the customers’ bills each month. The ECA mechanism allows for the Authority to reconcile any variance between the actual costs incurred and the projected variable costs included in the cost of service.

For Westchester Customers, the current 2021 base production rates were adopted by the Trustees at their January 2021 meeting, when they approved a 3.14 percent decrease over 2020 production rates. Over the past four years, Westchester customers have experienced savings associated with NYPA supply and have received Cost of Service and rate decreases.

The Authority’s policies and procedures call for a public forum if the fixed cost component of the proposed rate change exceeds a two-percent increase. The fixed costs component is expected to increase by, approximately, $31,000 or 2.1 percent, from $1.49 million in 2021 to $1.52 million in 2022. This is primarily due to an increase in headquarters’ expenses, which is mainly driven by an increase in non-recurring projects. The increase in headquarters’ expenses is somewhat offset by a decrease in Small Hydro Operations and Maintenance expenses, due to the expected completion of the Crescent dam B abutment repair project in 2021.

With market prices rebounding from COVID-19 effects and a strong rally in gas prices, staff is expecting 2022 market energy rates to reach levels reminiscent of 2018 and 2019. As such, staff is proposing a 20.6 percent cost-of-service adjustment for 2022. While fixed costs are expected to increase slightly, market-based purchase power expenses are driving the proposed adjustment. These purchase power expenses represent costs that are passed through to the customers and are based on current market projections.

The total preliminary 2022 cost of service for the Westchester customers is $29.11 million as compared to $24.13 million in 2021. If the projected increases in market purchase power costs do not materialize, the ECA mechanism is in place to reconcile the projected revenues to the actual costs in the form of a rate-based refund.

Consistent with the Authority’s past rate-making practices and with the rate-setting process set forth in the supplemental agreements for Westchester customers, the proposed adjustment is based on a pro forma cost of service for next year.

As Ms. Delince stated earlier, the Authority will accept your comments on the Notice of Proposed Rulemaking until January 3, 2022.

I will now turn the forum back to Ms. Delince.

Thank you.

KAREN DELINCE: Thank you, Ms. Davis.

Since no one has signed up to speak as this forum, we will recess and reconvene when speakers arrive.
(Recess)

KAREN DELINCE: It is now 3:00 p.m. As previously stated, the record of the forum will remain open for additional comments through close of business, Monday, January 3, 2022.

The December 9, 2021, Public Forum on the proposed increase in the fixed costs component of the production rates for the Authority’s Westchester County Governmental Customers is now officially closed.

Thank you and good day.

(Thereupon, at 3:00 p.m., this forum was concluded.)
I, Jackie Mentecky, Court Stenographer, certify that I was authorized to and did stenographically report the foregoing proceedings and that the transcript is a true and complete record of my stenographic notes.

Dated this 9th day of December, 2021.

______________________________
Jackie Mentecky, Court Stenographer
### Service Tariff No. 200 Rate Comparison (Current vs. Proposed)

<table>
<thead>
<tr>
<th>Service Classification</th>
<th>Demand ($/kW)</th>
<th>ENERGY (¢/kWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SUMMER</td>
<td>SUMMER ON PEAK</td>
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<tr>
<td></td>
<td>2021</td>
<td>2022</td>
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<tr>
<td>SC 62 Conventional</td>
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<tr>
<td>SC 66 Conventional</td>
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<td>SC 68 Conventional</td>
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<td>SC 69 Conventional</td>
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<td>$0.95</td>
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### Service Tariff No. 200 Demand Standby Rate Comparison (Current vs. Proposed)

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<th>AS-USED DAILY DEMAND ($/KW-day)</th>
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<tr>
<td></td>
<td>Low Tension</td>
<td>High Tension</td>
</tr>
<tr>
<td>SC 68 Conventional</td>
<td>$0.036</td>
<td>$0.041</td>
</tr>
<tr>
<td>SC 69 Conventional</td>
<td>$0.027</td>
<td>$0.029</td>
</tr>
<tr>
<td>SC 69 TOD</td>
<td>$0.037</td>
<td>$0.042</td>
</tr>
</tbody>
</table>
Date: January 25, 2022

To: THE CANAL CORPORATION BOARD OF DIRECTORS

From: THE INTERIM PRESIDENT AND CHIEF EXECUTIVE OFFICER

Subject: Canal Corporation Weed Harvester – Transfer of Ownership for Less Than Fair Market Value to the Town of Dresden, New York

SUMMARY

The Directors are requested to approve the transfer of ownership of a weed harvester, conveyer, and trailer (collectively “weed harvester”) and high-speed transporter + trailer (“transport trailer”) to the Town of Dresden, New York (“Town”) that was acquired by the Canal Corporation approximately 20 years ago in consultation with the New York State Department of Environmental Conservation (“DEC”) and the local municipalities. The less than fair market transfer of the harvester will permit the Town to continue to operate the weed harvester to address invasive species and improve water quality in portions of Lake Champlain within the immediate vicinity of the Town. The Town has been operating the machine under permit with the Canal Corporation for approximately 15 years.

BACKGROUND

The New York Canal Corporation acquired and owns a weed harvester that has been exclusively operated by the Town to improve and maintain Lake Champlain water quality and combat invasive species adjacent to the Town. The Town currently receives third-party funding to operate the machine for the entire harvesting season, which it does pursuant to a Canal Corporation permit. The Canal Corporation transports the machine to and from the Town annually and conducts routine maintenance, as needed. By letter dated October 13, 2021, the Town has requested a less than fair market transfer of the weed harvester, noting the Town’s experience in using the machine, the benefit which primarily serves the Lake Champlain area adjacent to the Town, and the Town’s financial inability to acquire a similar machine.

Title 5-A of Article 9 of the Public Authorities Law (the ‘Act’) and the Canal Corporation’s Guidelines for the Disposal of Personal Property (the ‘Guidelines’) allow the Canal Corporation, with the approval of the Board of Directors, to dispose of Canal Corporation property by negotiation and for less than fair market value if the transferee is a government or other public entity and the terms and conditions of the transfer require that the ownership and use of the property will remain with the government or any public entity.

DISCUSSION

The Canal Corporation conducted an internal appraisal of the weed harvester and transport trailer by comparative method, identifying auctions of the same model, with the same amount of hours/condition. Staff identified an auction in 2018 for a weed harvester for approximately $35,000, which is 30 percent of their initial value. A range of 20 to 40 percent depreciation is common practice for evaluating value of aquatic vessel and ancillary equipment of this age.
The valuation method below was applied to determine fair market value:

<table>
<thead>
<tr>
<th>Equipment Description</th>
<th>Percentage of Initial Cost</th>
<th>Current Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weed Harvester + Storage Trailer + Conveyor</td>
<td>30% of Initial Cost</td>
<td>$35,000</td>
</tr>
<tr>
<td>High Speed Transporter + Transport Trailer</td>
<td>30% of Initial Cost</td>
<td>$24,000</td>
</tr>
<tr>
<td><strong>Total Fair Market Value</strong></td>
<td></td>
<td><strong>$59,000</strong></td>
</tr>
</tbody>
</table>

The transfer is to be further conditioned upon the execution of an agreement between the Town and Canal Corporation. The terms of such an agreement are to include transferring the equipment in its 'as is' condition and such additional provisions that reasonably safeguard the Canal Corporation from future responsibility and liability. Consistent with the requirements of the Public Authorities Law, the agreement will also require the Town to keep the equipment under its ownership and be used for public purposes.

**FISCAL INFORMATION**

In accordance with the foregoing, the weed harvester and transport trailer will be transferred to the Town without any payment to the Canal Corporation.

**RECOMMENDATION**

The Regional Manager – Canals recommends that the Directors approve the transfer of ownership of the weed harvester and transport trailer to the Town of Dresden as set forth in the foregoing memorandum of the Interim President and Chief Executive.

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 pursuant to Title 5-A of Article 9 of the Public Authorities Law, the Canal Corporation’s Guidelines for the Disposal of Personal Property and the Power Authority Act, the Board of Directors hereby approve the transfer of ownership of the weed harvester and transport trailer to the Town of Dresden, New York, as recommended in the foregoing memorandum of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.
Mr. Gil Quiniones  
President & Chief Executive Officer  
New York Canal Corporation  
123 Main Street  
White Plains, New York 10601

Dear Mr. Quiniones:

On behalf of the Town of Dresden, New York (the “Town”), we are writing to reaffirm our interest in the transfer of the amphibious weed harvester (“harvester”), conveyor and transporter from the New York State Canal Corporation. As was stated in our last letter sent in May of 2021, the primary purpose is for the Town to take over ownership, storage, and maintenance responsibilities of the approximate 20-year-old machines and haul trailers from the New York State Canal Corporation, and to continue to use it for the purpose of mechanically de-weeding of the invasive aquatic plant, water chestnut, from the Lake Champlain area immediately adjacent to the Town. Upon the transfer of ownership, the harvester, conveyor, and transporter will be placed under the control of the Town’s Highway Superintendent and will remain in the Town’s ownership for public use and benefit for the foreseeable future.

We are requesting a free transfer of the equipment. This request is precipitated by the fact that:

- the Town does not have the financial means to acquire a new or equivalent used weed harvester. By way of example, the Town Highway Superintendent’s budget for repairing and purchasing equipment is $85,000 and a new weed harvester, conveyor and transporter would run approximately $360,000 (as of 2020).
- the Town receives funding for Town employees to exclusively operate the harvester.
- the water quality and ecological benefits of the weed harvesting primarily benefit the portion of Lake Champlain adjacent to the Town and surrounding communities.
- the Town is capable of taking over, from the Canal Corporation, the costs of maintenance and storage of the harvester; and
- the transfer will remove any ownership liability and risk that the Canal Corporation may currently have.

The transfer of the harvester to the Town for free will continue to benefit the water and ecology of this portion of Lake Champlain not only for the Town’s benefit, but also for the region, and having the Town take over complete ownership and operational responsibility will make these efforts more efficient and effective.
We thank the Canal Corporation Board of Trustees for consideration of this disposal and transfer.

Sincerely,

Paul Ferguson
Town Supervisor
Town of Dresden

Richard Hobus
Highway Superintendent
Town of Dresden

All Board Members Agree
Town Board Members
Town of Dresden

CC:   David Mellen
      Joseph Moloughney
Memorandum

Date: January 25, 2022
To: THE TRUSTEES AND CANAL BOARD OF DIRECTORS
From: VICE PRESIDENT AND CORPORATE SECRETARY
Subject: Proposed 2022 Schedule of Meetings

The following schedule of meetings for the year 2022 is recommended:

<table>
<thead>
<tr>
<th>Date</th>
<th>Boards/Committees</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 12 (Wednesday)</td>
<td>Finance and Risk Committee</td>
<td>Video</td>
</tr>
<tr>
<td>January 25 (Tuesday)</td>
<td>Cyber Committee</td>
<td>Video</td>
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<tr>
<td></td>
<td>NYPA/Canal Board</td>
<td>Video</td>
</tr>
<tr>
<td>March 18 (Friday)</td>
<td>Audit Committee</td>
<td>Video</td>
</tr>
<tr>
<td></td>
<td>Finance and Risk Committee</td>
<td>Video</td>
</tr>
<tr>
<td>March 29 (Tuesday)</td>
<td>Governance Committee</td>
<td>WPO</td>
</tr>
<tr>
<td></td>
<td>NYPA/Canal Board</td>
<td>WPO</td>
</tr>
<tr>
<td>April 26 (Tuesday)</td>
<td>Finance and Risk Committee</td>
<td>Video</td>
</tr>
<tr>
<td>May 24 (Tuesday)</td>
<td>NYPA/Canal Board</td>
<td>WPO</td>
</tr>
<tr>
<td>July 14 (Thursday)</td>
<td>Audit Committee</td>
<td>Video</td>
</tr>
<tr>
<td></td>
<td>Finance and Risk Committee</td>
<td>Video</td>
</tr>
<tr>
<td>July 26 (Tuesday)</td>
<td>Cyber Committee</td>
<td>WPO</td>
</tr>
<tr>
<td></td>
<td>NYPA/Canal Board</td>
<td>WPO</td>
</tr>
<tr>
<td>September 15 (Thursday)</td>
<td>Finance and Risk Committee</td>
<td>Video</td>
</tr>
<tr>
<td>September 29 (Thursday)</td>
<td>Governance Committee</td>
<td>WPO</td>
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<td></td>
<td>NYPA/Canal Board</td>
<td>WPO</td>
</tr>
<tr>
<td>October 27 (Thursday)</td>
<td>Board Training</td>
<td>TBD</td>
</tr>
<tr>
<td>November 15 (Tuesday)</td>
<td>Finance and Risk Committee</td>
<td>Video</td>
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<tr>
<td>December 13 (Tuesday)</td>
<td>Audit Committee</td>
<td>WPO</td>
</tr>
<tr>
<td></td>
<td>NYPA/Canal Board</td>
<td>WPO</td>
</tr>
</tbody>
</table>
RECOMMENDATION

The Interim President and Chief Executive Officer and I support the proposed 2022 meeting schedule as set forth in the foregoing memorandum.

I recommend the approval of the proposed schedule by adoption of the resolution below.

Karen Delince
Vice President & Corporate Secretary
RESOLUTION

RESOLVED, That the 2022 meeting schedule, as set forth in the foregoing memorandum of the Vice President and Corporate Secretary, be, and hereby is, approved.
MINUTES OF THE JOINT MEETING
OF THE
POWER AUTHORITY OF THE STATE OF NEW YORK AND
NEW YORK STATE CANAL CORPORATION

December 7, 2021

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<td>h. <strong>Informational Item:</strong> NYPA Ventures – Business Lines Update</td>
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<td>ii. Canal Corporation Fountain – Transfer of Ownership for Less Than Fair Market Value to the Town of Seneca Falls, New York Resolution</td>
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<td>c. Governance Matters</td>
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<td>i. Approval of the Minutes</td>
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<tr>
<td>i. Minutes of the Joint Meeting of the New York Power Authority’s Board of Trustees and Canal Corporation’s Board of Directors held on October 19, 2021</td>
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6. Next Meeting 20

Closing 21
Minutes of the Joint Meeting of the New York Power Authority’s Trustees and Canal Corporation’s Board of Directors held via video conference at approximately 10:30 a.m.

Members of the Board present were:

John R. Koelmel, Chairman
Eugene L. Nicandri, Vice Chairman
Anthony J. Picente, Jr.
Tracy McKibben
Michael A.L. Balboni
Dennis T. Trainor
Bethaida Gonzalez

Justin Driscoll  Interim President and Chief Executive Officer
Philip Toia  President – NYPA Development
Lori Alesi  Interim Executive Vice President and General Counsel
Adam Barsky  Executive Vice President and Chief Financial Officer
Joseph Kessler  Executive Vice President and Chief Operating Officer
Kristine Pizzo  Executive Vice President and Chief Human Resource & Administrative Officer
Sarah Salati  Executive Vice President and Chief Commercial Officer
David Mellen  Regional Manager – Canals
Daniella Piper  Regional Manager and CTO
Yves Noel  Senior Vice President and Chief Strategy Officer
Robert Piascik  Senior Vice President – Chief Information & Technology Officer
Keith Hayes  Senior Vice President – Clean Energy Solutions
Paul Tartaglia  Senior Vice President – EHS & Crisis Management
Karen Delince  Vice President and Corporate Secretary
Joseph Gryzlo  Vice President and Chief Ethics & Compliance Officer
Emilie Bolduc  Vice President – New York Energy Manager
John Canale  Vice President – Strategic Supply Management
Ricardo DaSilva  Vice President – Strategic Operations
Fabio Mantovani  Vice President – Head of e-Mobility
Eric Meyers  Vice President – Chief Information Security Officer
Anne Reasoner  Vice President – Budgets & Business Controls
Lisa Wansley  Vice President – Environmental Justice
James Levine  Assistant General Counsel – Finance & Bonds
Víctor Costanza  Senior Director – Cyber Security & Deputy CISO
Earl Faunlagui  Senior Director – Market & Commodities Risk
Lawrence Mallory  Senior Director – Security & Crisis Manager
Joseph Rende  Senior Director – Key Account Management
Dave Work  Senior Director – Contract & Program Operations
Christopher Fry  Director – Business Development
Laura Yu  Director – Enterprise Change Management & Engagement
Thakur Sundeep  Controller
Christina Iwaniw  R&TD Engineer II – NY Energy Manager
Carley Hume  Deputy Chief of Staff – President’s Office
Mary Cahill  Manager – Executive Office
Christopher Vitale  Financial Performance & Reporting Manager
Lorna Johnson  Senior Associate Corporate Secretary
Sheila Quatrocci  Associate Corporate Secretary
Kelli Higgs  Assistant Corporate Secretary
Michele Stockwell  Project Coordinator – Executive Office

Chairman Koelmel presided over the meeting. Corporate Secretary Delince kept the Minutes.
December 7, 2021

Introduction

Chairman Koelmel welcomed the Trustees/Directors and NYPA and Canal staff members who were present at the meeting. He said that the meeting had been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to the Authority’s Bylaws, Article III, Section 3.

1. Adoption of the December 7, 2021 Proposed Meeting Agenda

On motion made by Trustee Balboni and seconded by Trustee Trainor, the members adopted the meeting Agenda.

Conflicts of Interest

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

2. Motion to Conduct an Executive Session

“Mr. Chairman, I move that the NYPA and Canal Boards conduct an executive session to discuss the financial and credit history of a particular corporation, pursuant to §105 of the Public Officers Law.” On motion made by Trustee Trainor and seconded by Trustee Balboni, the members held an executive session.

3. Motion to Resume Meeting in Open Session

“Mr. Chairman, I move to resume the meeting in Open Session.” On motion made by Trustee Balboni and seconded by Trustee McKibben, the meeting resumed in Open Session.

Chairman Koelmel said that no votes were taken during the Executive Session.

4. DISCUSSION AGENDA

a. Strategic Initiatives

i. Interim President and Chief Executive Officer’s Report

Interim President and Chief Executive Officer Justin Driscoll provided an update on NYPA’s performance to date. He said that the state of the Authority is strong; NYPA is on a solid path with its performance measures, transmission, business development, innovative customer offerings, talented workforce and DEI initiatives, all in keeping with the State’s Clean Energy goals, the drivers for the
organization, state, and country. In addition, Governor Hochul recently upped the distributed solar goals from 6 gigawatts to 10 gigawatts; this is in alignment with the Authority’s corporate strategy.

**Strategic Priorities and Foundational Pillars**

The Authority’s Strategic Priorities and Foundational Pillars are tied, directly or indirectly, to the Clean Energy goals:

- **Preserve and Enhance the Value of Hydropower**
  This goal is significant not only for NYPA, but also for the State’s goal of 75% clean energy by 2030 and 100% by 2040, because a substantial portion of NY’s clean energy generation is based on hydropower. NYPA must advocate for regulatory constructs that ensure that the Authority can continue to generate hydropower for the benefit of New Yorkers and toward its clean energy future. As more renewables come into the system, there is a potential for hydropower to be displaced. NYPA is working closely with DPS and NYSERDA on a study that will address that outgrowth.

- **Be the Leading Transmission Developer, Owner and Operator for New York State**
  NYPA’s Smart Path Connect Project will enable the transmission of renewable electricity and create a consistent 345kV corridor from St. Lawrence to Clark Energy Center. The current 230kV line, owned by National Grid will be upgraded as part of the project. The project will move 1,000 megawatts of renewables to load centers, enabled by NYPA’s development of priority transmission projects. NYPA was recognized in the Accelerated Renewables Bill in 2020 as uniquely positioned to enable transmission development, particularly because it owns a large number of right-of-ways and is a state entity. This was the first priority transmission project that was approved by the Public Service Commission under this new legislation. NYPA is now in the Article VII process and expects approval in this year. This project is scheduled to be completed by 2025.

- **Partner with our customers and the state to meet their energy goals**
  As part of NYPA’s customer-facing business, the Authority is rolling out innovative projects, serving its governmental customers with solar and storage facilities and installing EV charging stations around the state. One such project will enable the Niagara Frontier Transportation Authority in Buffalo to charge 100 electric buses using charging stations. Another customer-facing project is the JFK fast charging hub, the largest charging site in New York State. It is now operational with 10 chargers for the public and 4 for buses. NYPA is now the third largest fast-charging player in New York.

**Diversity, Equity & Inclusion**

In terms of the Authority’s internal activities, the Diversity, Equity and Inclusion action plan was rolled out last year with a 10-Point DEI Plan. As part of that Plan, during the course of the year, employee listening sessions were held; DEI was embedded into management training; NYPA increased its hiring of diverse talent and launched its Pathways program, a six-month program tailored to Black, indigenous, and persons of color.

The Authority also developed the Supplier Diversity roadmap to drive the development of M/WBE businesses and access to the bidding opportunities.

With regard to Environmental Justice, the Authority is expanding the number of schools in its PTECH program from three to six schools. Students are also receiving paid internships in the nine-month mentoring program. Under its Future Energy Leaders Scholarship Program, the Authority awarded ten $10,000 scholarships to students in under-resourced communities.
Resource Alignment – NYPA Change Management

Interim President Driscoll said the Authority is about team and talent and he wanted to recognize the following employees:

Laura Yu, Director of Change Management. Laura’s job is to keep a myriad of projects and activities moving forward in a thoughtful, interdisciplinary, and planned way. For example, Project Hub, where she supports internal clients’ change management communications and engagement strategy, implementation, and materials. Also, as it relates to eRGC, the team developed a countdown campaign, highlighting new policy, leveraging the momentum to get operational risks entered into the new system.

Christina Iwaniw, R&TD Engineer - New York Energy Manager. Christina received the Energy Storage Association, “Breakout Woman of the Year” Award, which recognizes an individual woman with less than ten years of industry experience and has made a significant individual contribution to the industry over the last year. Christina has been part of NYPA’s Clean Energy group since its creation in 2016, and manages key customer renewable projects, played a key role in the growth of NYPA’s Clean Energy Project pipeline from 6 MW to more than 200 MW. She has also been instrumental in developing the first set of solar projects for state agencies in the State of New York, developed projects for NYS Parks, and helped develop the first “Net Zero” sites. This work was included in the management of two of the largest solar arrays to be constructed in NYPA’s history.

2022 Goals

Interim President Driscoll said that his job is to effectively lead senior management in driving the execution of the Authority’s VISION2030 Strategy. To that end, the team will:

- Push to develop transmission and other projects such as the Smart Path Connect project and effectively develop green energy transmissions in the State;
- Make sure that the Authority can attract and retain a talented, diverse workforce, continuing the culture at NYPA as an inclusive and great place to work where employees can be part of the transformation of the energy industry;
- Continue to roll-out innovative customer offerings e.g. DER;
- Provide more EV charging stations;
- Expand customer segments served and begin voluntary REC sales;
- Continue with the recreational opportunities with the “On the Canals” program; and
- Ensure that the Authority is well-informed and well-positioned to take advantage of any federal assistance for New York State for grid modernization, among other things.

b. Chief Operations Officer’s Report

Mr. Joseph Kessler, Executive Vice President and Chief Operations Officer, provided an update on the Central East Energy Connect Project to the Board.

Central East Energy Connect – Marcy-New Scotland Transmission Upgrade Project

The Central East Energy Connect (“CEEC”) Project will increase energy to the southeast region from Marcy to New Scotland. This project will replace 82 wooden H-frame structures with new 345 kV steel monopole structures.
The Central East Energy Connect Project is being jointly developed with LS Power and will be owned by LS Power. The preparations for NYPA’s portion of the lines, along with the work that NYPA will be doing at its Marcy Substation, continues and outages to support NYPA’s new assets are on track to begin in 2022.

The revised budget for 2021 will be achieved. It is approximately $56 million for the year. The overall project is projected to be completed under the originally approved budget. The project team does not expect to come back to the Board for any additional funding for the project. In short, this major transmission project, which is a part of the Authority’s strategic initiatives and a growth area for the Authority, is on schedule.

With regard to safety, reliability, and compliance the Authority is trending well.

c. Chief Commercial Officer’s Report

Ms. Sarah Salati, Executive Vice President and Chief Commercial Operations Officer, provided highlights of the report to the Board. She said that the Commercial Operations group had a very strong year despite COVID-19 and the disruption that it caused to the work that they were doing when they were in emergency mode. Operations, as a whole, were not only keeping the lights on but were moving forward with the customers and the projects despite the pauses.

Commercial Operations have been focused on VISION2030 and preserving and enhancing the value of the Authority’s hydropower. NYPA is working on becoming even more sophisticated in the structuring of its supply offers to compete in the market, to be defensive around its hydro, and to integrate the new assets that are coming into the market, specifically, renewables. In addition, Commercial Operations participated in the discussions undertaken for the decarbonization of the Authority’s natural gas plants, their position in the market and the opportunities that exists. Also, another of Commercial Operations’s strategic initiatives is working closely and looking at continuing to be leading in digital technologies or other distributed energy resources, solar-plus storage, and decarbonizing the state in the energy sector in a cost-effective manner.

Economic Development

With regard to economic development and hydropower, Commercial Operations is supporting the vision of a resilient and vibrant New York State that is powered by clean energy. To that end, they continue to allocate power across the state to support creation and retention of jobs as well as capital commitments.

2021 Merchant Gross Margin Projections

Merchant Revenues

In February, a lot of ice management was done that had a depressed trajectory on the merchant margin. In April and May, the Authority had to deal with transmission constraints from construction of Transmission. In addition, as renewables come into the market, pricing becomes consistently negative, which has an impact on wholesale market prices. However, the cost-dollar/cost-averaging and the hedging strategy that is in place has protected the downside and reduced the Authority’s exposure. In addition, the Authority benefited from the increase in the gas prices, which have pushed up the power prices in the market. As a result of this, for the year-end, the Authority will be about $20 million above the target that was set in August of last year.
The Authority had a target set for 2022 in October. Over the last two months, the team has been consistently executing on its hedging program; therefore, the Authority has reduced the risks bands by $30 million. It will be in good standing going into 2022.

**Economic Development**

NYPA continues to be a driver for economic growth and competitiveness in New York State. NYPA has over 880 power supply customers, and more than 1300 power allocations under its economic development program. This year, the Authority have allocated 95 megawatts of hydropower that have resulted in 36,000 jobs created or retained, and over $2.4 billion in commitments. Therefore, despite the pandemic, NYPA continues to fulfill its mission of driving economic development in the State of New York.

**Customer Business Lines: October YTD Results**

**Clean Energy Solutions**

As it relates to Clean Energy Solutions, the Authority saw strong performance despite the COVID-19 pandemic. There were pauses in construction projects, which have been restarted. Because of a remobilization effort from the contractors, the Authority is now within the targets set for the year-end with the exception of e-mobility. There were budget constraints, and some $70 million in projects were taken off the list. However, as a result of strong collaboration with the Authority’s customers, and accelerating the pipeline to fill that gap, in addition working very closely with Strategic Supply Management, the Authority was able to execute the projects.

**e-Mobility**

Supply chain challenges have impacted the Authority’s e-mobility goals. Specifically, importing equipment, specific to the charging infrastructure and equipment needed. But against all of the headwinds, 11 EVolve Charging Ports were installed through October, and the Authority will have 90 chargers in the ground by the end of December.

**NY Energy Manager**

NY Energy Manager is the account center, and the analytics to support further development of products to help the Authority identify what is going to get it the most economic, as well sustainable outcomes for its customers as it relates to decarbonization.

**Economic Development**

The Authority is looking at executing on the CLCPA and the transition to a green economy. Staff introduced, and the members approved, a new methodology to count and calculate green jobs created as a result of the allocation process; resulting in a significant number of green jobs; nearly 900 that were created this year.

- **Green Jobs**

Additionally, staff have worked with WOLFSPEED to support the expansion of its new wafer manufacturing facility, 50 percent of which is powered by clean energy.
• **Power Allocations**

Plug Power’s $290 million project will support economic growth in Genesee County. This is another example of where NYPA can continue to lead relative to the companies that are more energy intensive and help support the integration and the backward integration of completely new green industries.

• **WNY and NNY Proceeds**

More than $2 million in funds have been allocated for Economic Development across WNY and NNY with a focus on historically disadvantaged communities.

Ms. Salati thanked the EMC and their teams for their support and, specifically the leadership of Emily Bolduc, Fabia Mantovani, Jenny Lu, Brian Stanton, Dianne Levine, and Keith Hayes, for shepherding Commercial Operations through this time and continuing to build on their work and look forward to working together in 2022.

d. **Chief Financial Officer’s Report**

Mr. Adam Barsky, Executive Vice President and Chief Financial Officer, provided highlights of the report to the Board. He said that he expects the year to end strong. The market has been favorable in terms of energy prices being better than was projected and that trend is expected to continue through the end of the year.

**Year-To-Date Actuals – (January – October 2021)**

Year-to-date actuals through October 2021 is at $56 million versus $48 million ahead of the Budget Plan.

Margins - Generation – revenues are ahead of the Budget Plan
Margins - Transmission – revenues are ahead of the Budget Plan
Margins - Non-Utility – revenues are below the Budget Plan

Operating Expenses – tracking mostly to the Budget Plan. It is a little behind on the allocation to capital, which is due to timing of the capital spend. This should close towards the end of the year.

**Full-Year Forecast – (January - December 2021)**

There is very little downside risk to the forecast in terms of meeting the projections of the Plan, $69 million.

Margins - Generation - All the trends continue in terms of Generation margin being ahead of the Plan by $21 million.
Margins – Transmission – Transmission revenues are ahead of the Plan.
Margins - Non-Utility – below the Plan due to timing issues.

Expenses are running close to budget in total, approximately $3 million.

EBITDA will run $40 million ahead from the Plan and less in terms of overall Net Income increase to the budget by $28 million because of increased expenses of depreciation.

Non-Cash Expenses - Certain assets were placed into service sooner than expected which will turn into revenues for next year, particularly on the transmission side.

The Balance sheet remains strong; Liquidity is also strong. Rating agencies affirmed the Authority’s ratings and acknowledged its strength.

e. **Finance and Risk Committee Report**

Chair Tracy McKibben provided the following report:

The Finance and Risk Committee met on November 16, 2021. The committee adopted the Minutes of the September 21, 2021 and October 6, 2021 meetings, received four (4) staff reports and recommends the following seven (7) resolutions to the full Board for adoption:

i. **Finance and Risk Committee Recommendations for Approval:**

1. **Release of Funds in Support of the New York State Canal Corporation**

   RESOLVED, That the Trustees authorize the release of an additional up to $21.3 million in funding to the Canal Corporation to support operations of the Canal Corporation in calendar year 2022, as discussed in the foregoing report of the Interim President and Chief Executive Officer; and be it further

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

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

   RESOLVED, That the Trustees affirm that the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer, the Interim Executive Vice President and General Counsel, the Executive Vice President and Chief Financial Officer, the Corporate Secretary, the Treasurer and all other officers of the Authority be, and each of them hereby is, authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents that they, or any of them, may deem necessary or advisable to effectuate the foregoing resolution, subject to approval as to the form thereof by the Interim Executive Vice President and General Counsel.
2. Release of Funds in Support of the Residential Consumer Discount Program Created in Connection with the Recharge New York Power Program

RESOLVED, That the Trustees authorize the release of $30.0 million from the Operating Fund during 2022 to support the monthly Residential Consumer Discount Program as authorized by Chapter 60 of the Laws of 2011 and as discussed in the foregoing report of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the amount of $30.0 million to be used for the Residential Consumer Discount Program described herein is not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority’s General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further

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

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

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

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

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer, the Chief Financial 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.

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

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

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

5. Release of Funds in Support of Separately Financed Projects

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

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

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

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

On motion made by Trustee Trainor and seconded by Trustee Balboni the foregoing resolutions, as submitted by the President and Chief Executive officer, were unanimously adopted.
6. **Proposed Issuance of Transmission Project Revenue Bonds**

RESOLVED, that the Trustees hereby confirm that (i) the Finance and Risk Committee met on November 16, 2021 and resolved to recommend the actions below, (ii) at the time of such resolution, the Finance and Risk Committee was composed of all Trustees and (iii) each Trustee has received and reviewed the information, documents and other materials presented at such Committee meeting; and be it further

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

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

On motion made by Trustee Trainor and seconded by Trustee Balboni the foregoing resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

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

RESOLVED, That the Board of Trustees (on behalf of the Power Authority and the Canal Corporation) approve the 2022 Budgets, specifically including the expenditures for the (i) 2022 Power Authority Budgets and (ii) 2022 Canal Corporation Budgets, each as discussed in Exhibit B; and be it further

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

RESOLVED, That the Board of Trustees (on behalf of the Power Authority and the Canal Corporation), pursuant to 2 NYCRR Part 203, approve the Budget and Financial Plan, including the certification by the Chief Operating Officer, in accordance with the foregoing report of the Interim President and Chief Executive Officer; and be it further
RESOLVED, That the Board of Trustees (on behalf of the Power Authority and the Canal Corporation) pursuant to 2 NYCRR Part 203, authorize the Corporate Secretary to submit the Budget and Financial Plan to the Office of the State Comptroller in the prescribed format, post the Budget and Financial Plan on the Power Authority’s website and make the Budget and Financial Plan available for public inspection at not less than five convenient public places throughout New York State; and be it further

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

On motion made by Trustee Gonzalez and seconded by Trustee Balboni the foregoing resolution, as submitted by the President and Chief Executive Officer, were unanimously adopted.

f. **Audit Committee Report**

Chair Eugene Nicandri provided the following report:

“This morning, the Audit Committee met and received a report from Angela Gonzalez, Senior Vice President of Internal Audit, on the 2021 Internal Audit Plan Update, the 2022 Internal Audit Plan and the 2022 Internal Audit Budget. Both the 2022 Internal Audit Plan and Budget were adopted by the Committee.

In addition, KPMG presented its Audit Plan and Strategy for the 2021 Financial Audit to the Committee for its consideration and will report on it next year.”

g. **Informational Item: Digital Utility Strategic Partnership Outcomes and Deliverables -- DEFERRED**

h. **Informational Item: NYPA Ventures – Business Lines Update**

Ms. Sarah Salati provided an update on NYPA Ventures – Business Lines.

**NYPA Ventures’ Strategic Context**

The energy markets are very dynamic and volatile, as seen on a daily basis, as the Authority bid its generation assets into the NYISO. Additionally, technology costs are coming down. There are merging technologies on a daily basis that could be breakthroughs to help the Authority get to be completely carbon neutral, but also that can be disruptive. Finally, customer needs are changing. We have the same expectations in our professional lives as we do in our personal lives in terms of access to information, convenience, transparency, comfort. The energy transformation is moving at an incredibly rapid rate. The Authority needs to continue to be innovative and agile in order to compete in the market and to lead in the market. That requires, as with any new and incubating product or service, a slightly different management approach. Sustaining organizations tend to have very strong processes and controls in
place for mature businesses. But when a business is incubating, doing product development, it needs strategic and risk parameters that are set and be providing the sandbox in which to move forward.

Clearly, NYPA have a very strong focus on risk across the board. But it needs to have a slightly lighter touch for some of these newer initiatives, specifically. To that end, NYPA ventures is being created. It is a Business Unit. It is not dissimilar to the NYPA Development Business unit in its focus of having a very strong core team that is getting the support from the distinct functional groups in order to accelerate and to move as quickly as possible and to get that benefit of the multiple perspectives and expertise to the table to do so. To that end, an internal executive board is being set up to ensure that the most senior executives at NYPA have a clear understanding of what they are driving towards. It will ensure that they have the appropriate allocation of resources, be it financial or people, as well as ensuring that they continue to tap into the market intelligence, the external resources that through the Large Public Power Counsel, the Association of Public Power Association (APPA), EPRI, etc., to ensure that we are on the cutting edge in terms of where the market is going and ensure that we are bringing that to New York State and to our customers. We are going to be looking at these assets from a more holistic standpoint relative to technologies that are being pushed out because, as was articulated earlier, the digital overlay has the capacity and capability, and the regulatory regimes are catching up, to truly orchestrate the grid of the future to support the dynamics and NYPA's customers. To that end Fabio Mantovani and Emilie Bolduc are going to share an update on this venture and on the plans going forward.

New York Energy Manager – Business Line Update

Ms. Emilie Bolduc, Vice President of the New York Energy Manager and Clean Energy Advisory Services which includes the New York Energy Manager platform and the energy management analytics services as well as NYPA's customer sited solar and storage services, said that The New York Energy Manager businesses will benefit from being under NYPA ventures. It will allow the group to be more agile and to respond to market needs quickly and scale faster.

To help meet NYPA's targets to support the New York State’s aggressive Climate Leadership and Community Protection Act goals, the New York Energy Manager businesses will need to be more agile and scale faster so that it can work with more of NYPA's customers to install more megawatts of solar and storage, as well as help the customers reduce energy and carbon emissions.

She continued that they are also developing ways to enable NYPA's customers' distributed energy resources - their buildings, solar PV, and storage - to serve as grid resources. They are also developing New York Energy Manager platform to provide these data-driven pathways to their decarbonization.

Some of NYPA's recent projects and future ventures under the New York Energy Manager businesses:

**Energy Analytics**
- New York State agencies are using the New York Energy Manager platform to manage and track all of their energy efficiency projects and the energy savings from those projects towards their BuildSmart New York 2025 goals.
- The group is also working with customers to participate in the IUsOs automated dynamic load management programs, which is like Demand Response 2.0, as they become available.
- exploring virtual power plants that will use NYPA's customers’ building assets, solar PV, energy storage systems, EV charging stations as economically viable grid resources.
Customer Sited Solar + Storage
Under Customer Cited solar and storage, the group have brought to the Board for approval several solar and storage PPA projects which includes:

- Working with New York City to install 11 megawatts of solar at 47 NYC Department of Education schools across the five boroughs.

- An 8 MW solar PV at NYC’s Department of Environmental Protection water treatment facilities; and 10 MW at Wards Island Wastewater Resource Recovery Facility.

Combined, this is close to 30 megawatts of solar. This will help the city meet almost 30 percent of its 100 megawatts of solar by 2025 goal.

- The James Baird State Park two megawatts solar project working with New York State Parks.

NYPA ventures is evaluating how it can aggregate, optimize, and orchestrate the Authority’s customers’ assets in an integrated grid. More and more distributed energy resources (DERs) are connecting to the grid, and, with FERC Order 2022, those DERs will be able to participate in both the retail and wholesale markets. This will allow NYPA’s customers to monetize their DERs and use those revenues to reinvest in further decarbonization activities, its virtual power plants. This will be further discussed in more detail with the Board in the future.

E-Mobility – Business Line Update
Mr. Fabio Mantovani, Vice President, Head of e-Mobility, provided an update on e-Mobility in the context of NYPA venture and why e-Mobility is key that will help New York State electrify its transportation system.

Thirty-six percent (36%) of the energy emission comes from transportation. The CLCPA goals will not be achieved without decarbonizing transportation. NYPA’s role is to facilitate that conversion from gasoline and diesel vehicles to electric vehicles by deploying charging infrastructure to support this transition. Along with that conversion, there is going to be an increase in electricity demand which NYPA will also serve in the future.

Business Update
To date, 33 EVolve NY chargers are operational. We expect to have approximately 100, probably 90, by the end of the year. And we are aiming for 150 by the first half of 2022.

The Authority is behind its plan. This was due to COVID-related issues, both in terms of the project development, as well as its supply chain disruption, which impacted the speed to deliver those charges in the ground. Additionally, the length and the effort that it takes to get utility as well as building permitting from the authorities having jurisdiction impacted the program. This has now been factored in future forecasts and a better forecast mechanism for how fast charges will be deployed in the ground is now in place.

There was a dramatic increase of utilization of NYPA Evolve NY chargers in ten months. The Authority experienced 256 percent increase, granted from a very low base. For example, chargers at JFK, is leading industry utilization, and utilization growing exponentially, which is good news for both market and industry, in general.
Recently on Twitter, John Voelcker, a Reporter and Editor from Car and Driver magazine said that he tested one of our chargers recently while on a road trip in Upstate New York. He said, “The great Upstate New York #EV Road trip continues; for the record, the 2022 Mercedes-Benz […] comes with plug and charge, and it worked flawlessly at this #EvolveNY fast-charging site […]. Closest thing I know to the frictionless […]. supercharging experience.” Mr. Mantovani ended that quote gives him confidence that NYPA is on the right track. The Authority is providing a good customer experience and he hopes for even more positive updates in 2022.

i. Diversity Equity, and Inclusion Evaluation and Incentive Plan

Mr. Keith Hayes, Senior Vice President, Clean Energy Solutions, provided highlights of staff’s recommendation to the Board. He said, “When I think about NYPA’s commitments to diversity, equity, and inclusion (“DEI”), which are admirable, I also think about the tie-in to the communities that we serve throughout the state. And, more importantly, I think of how we can better attract and retain businesses that are focused on women, minorities, service-disabled veterans and are located or are locating in disadvantaged communities. So how can we, NYPA, further lean-in and leverage our economic development programs to be a driver that truly advances MWBE/SDVOB with meaningful and measurable impacts to disadvantaged communities across the state.

“The Trustees, today, are requested to authorize the Authority to consider positive DEI impacts when evaluating applications and making recommendations for power allocations under our Recharge New York or Preservation Power and our Expansion and Replacement Power programs.

“We are also requesting the Trustees to authorize and provide for enhanced scoring for qualifying applicants and projects in the application evaluation process for Economic Development programs. And, more specifically, for applicants that are MWBE/SDVOB and/or are located within disadvantaged communities here in New York State.

“The Trustees are further requested to authorize the Authority to modify Economic Development program applications, as necessary, to collect that relevant data that we need from applicants that are related to DEI impacts.

“In summary, the Trustees are requested to authorize the Authority to apply the DEI Evaluation and Incentive Plan perceptively to new Economic Development Program applicants for allocations that support new load, in addition to retention-based allocations for load that is not already been served by the Authority.

“The DEI Evaluation and Incentive Plan is consistent with the New York State Climate Leadership and Community Protection Act, and supports the Authority’s VISION2030 Strategic Plan, as you know contains a Foundational Pillar for DEI and establishes a Ten-Point DEI Plan.”

On motion made by Vice Chair Nicandri and seconded by Trustee McKibben, the following resolution, as submitted by the Interim President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Trustees hereby authorize Authority staff to: (1) supplement the application evaluation criteria for each of the Authority’s Economic Development Power (“EDP”) Programs to enable the Authority to consider diversity, equity, and inclusion (“DEI”) commitments based on the following criteria (“Qualifying Criteria”): applicant is a certified Minority and Women Owned Business Enterprise;
applicant is a certified Service-Disabled Veteran Owned Business; and/or applicant’s facility is or will be located in a disadvantaged community in New York State; (2) provide enhanced scoring credit based on consideration of the Qualifying Criteria in addition to evaluation of EDP Program criteria; (3) apply the DEI evaluation and incentive plan prospectively to applications under the EDP Programs for allocations to support new load and retention-based allocations for load that is not already served by the Authority; and (4) make appropriate modifications to the applications and related process documents used for the EDP Programs to enable the Authority to collect relevant information from applicants related to DEI; and be it further

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

5. CONSENT AGENDA:

On motion made by Trustee Trainor and seconded by Trustee Balboni, the Consent Agenda and the following resolutions, as recommended by the Interim President and Chief Executive Officer, were unanimously adopted.

a. Commercial Operations

i. Awards of Fund Benefits from the Northern New York Economic Development Fund Recommended by the Northern New York Power Proceeds Allocation Board

WHEREAS, The Northern New York Power Proceeds Allocation Board ("Allocation Board") has recommended that the Authority make an award of Fund Benefits from the Northern New York Economic Development Fund ("Fund") to the eligible applicants listed in the memorandum of the Interim President and Chief Executive Officer in the amounts indicated therein;

NOW THEREFORE BE IT RESOLVED, That the Authority hereby accepts the recommendation of the Allocation Board and authorizes an award of Fund Benefits to the applicants listed in the memorandum of the Interim President and Chief Executive Officer in the amounts indicated therein, conditioned upon an agreement between the Authority and the applicants on the final terms and conditions that would be applicable to the award and set forth in a written award contract ("Award Contract") between the Authority and each applicant, approved by the President and Chief Executive Officer, or his designee, and approved by the Interim Executive Vice President and General Counsel or her designee, as to form; and be it further

RESOLVED, That the Executive Vice President and Chief Commercial Officer, or such official’s designee, is authorized to negotiate with the applicants concerning such final terms and conditions that will be applicable to the award; and be it further

RESOLVED, That the Executive Vice President and Chief Commercial Officer, or such official’s designee, is authorized to execute on behalf of the Authority an Award Contract for the awards listed in
the memorandum of the Interim President and Chief Executive Officer subject to the foregoing conditions; and be it further

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

ii. Recharge New York Power – New, Extended and Modified Allocations

RESOLVED, That the Trustees hereby accept the recommendations of the Economic Development Power Allocation Board (“EDPAB”) and approve the extension of each of the existing 17 Recharge New York (“RNY”) Power allocations previously awarded to the customers listed in the accompanying memorandum of the Interim President and Chief Executive Officer (“Memorandum”) in the manner described in the Memorandum for a term of 7 years, to commence on (1) the expiration of the term of the allocation, or (2) in the Authority’s discretion, commencing on a date to be agreed upon by the Authority and the customer for a term not to exceed 7 years (collectively, the “Extended Term”), subject to the following conditions:

(a) the sale of the allocations as extended hereunder shall be made pursuant to the contract form approved by the Board on March 26, 2019, and Authority Service Tariff RNY-1; and

(b) in order to receive an extension of its allocation, the customer agrees to provide the supplemental commitments for jobs, capital investment and power utilization that are the same or determined by the Authority to be substantially similar to those contained in Memorandum (subject to adjustments described above) for the Extended Term, through the incorporation of such supplemental commitments in the final contract that is executed by the parties, and RNY Power customers who do not have an ongoing project/expansion capital investment commitment shall meet a minimum capital investment commitment which may be satisfied through capital expenditures made over a five-year period; and be it further

RESOLVED, That the Trustees hereby accept the recommendation of the EDPAB and approve the modifications/adjustments to the RNY Power allocation extension and/or supplemental commitments described in Exhibit “B” for the reasons indicated in the Memorandum and Exhibit “B”; and be it further

RESOLVED, That the Trustees hereby accept the recommendation of the EDPAB and approve the new RNY Power allocations for retention purposes to the applicants listed in Exhibit “C” in the amounts indicated therein for the reasons indicated in the Memorandum and Exhibit “C”; and be it further

RESOLVED, That the Trustees hereby accept the recommendation of the EDPAB and approve the new RNY Power allocations for expansion purposes to the applicants listed in Exhibit “D” in the amounts indicated therein for the reasons indicated in the Memorandum and Exhibit “D”; and be it further

RESOLVED, That the Trustees hereby accept the recommendation of the EDPAB and approve the new RNY Power allocations for retention and/or expansion purposes to the small businesses and/or not-for-profit applicants listed in Exhibit “E” in the amounts indicated therein for the reasons indicated in the Memorandum and Exhibit “E”; and be it further
RESOLVED, That the Chief Commercial Officer – Commercial Operations, or such official’s
designee, hereby is authorized on behalf of the Authority to provide for final terms and conditions that will
be applicable to the foregoing allocations and/or projects, including without limitation progress milestones
and provisions for the expiration of any allocation in the event that such milestones are not met; and be it
further

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

iii. Transfer of Recharge New York Power

RESOLVED, That the transfer of a 140 kilowatt (“kW”) Recharge New York (“RNY”) Power
allocation, a 136 kW RNY Power allocation, and a pending 270 kW RNY Power allocation as modified
under TPA/EDCAP, awarded to Crown I Enterprises Inc., for use at its facilities located at 85 & 87 Saxon
Avenue, Bay Shore, New York to Sysco Long Island, LLC, for use at the same facilities, as described in
the memorandum of the Interim President and Chief Executive Officer (“Memorandum”) be, and hereby
is, approved subject to (i) such terms and conditions as are set forth in the foregoing Memorandum, and
(ii) such terms and conditions as are required by the New York Power Authority (“Authority”) in contract
documents prepared by the Authority in order to effectuate the transfers; and be it further

RESOLVED, That the transfer of the 1,600 kW RNY Power allocation awarded to International
Paper Company for use at its facility at 568 Shore-Airport Road, Ticonderoga, New York, to Sylvamo
North America, LLC for use at the same facility, as described in the Memorandum be, and hereby is,
approved subject to (i) such terms and conditions as are set forth in the foregoing Memorandum, and (ii)
such terms and conditions as are contained in contract documents prepared by the Authority to effectuate
the transfer; and be it further

RESOLVED, That the transfer of 90 kW and a 130 kW RNY Power allocations awarded to
Prevost Car (US) Inc., for use at its facility at 260 Banker Road, Plattsburgh, New York, to Nova Bus (US)
Inc. for use at the same facility, as described in the Memorandum be, and hereby is, approved subject to
(i) such terms and conditions as are set forth in the Memorandum, and (ii) such terms and conditions as
are contained in contract documents prepared by the Authority to effectuate the transfer; and be it further

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

iv. Contracts for the Sale of Hydropower – Final Approval and Transmittal to the
Governor

RESOLVED, That the contracts for the sale of 830 kilowatts (“kW”) of Expansion Power (“EP”) to
Americold Real Estate, L.P., 300 kW of EP to Polymer Conversions, Inc., 750 kW of EP to SGS
Recovery, LLC, and 640 kW of EP to Surmet Ceramics Corporation (collectively, the “Contracts”), are
in the public interest and hereby approved, and in accordance with Public Authorities Law § 1009 the
Contracts should be submitted to the Governor for her review and to seek her authorization for the Authority to execute the Contracts, and copies of the Contracts along with the record of the public hearing thereon, be forwarded to the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee; and be it further

RESOLVED, That the Chairman and the Corporate Secretary be authorized and directed to execute such Contracts in the name of and on behalf of the Authority upon the Governor’s approval of the Contracts; and be it further

RESOLVED, That the Senior Vice President – Clean Energy Solutions, or his designee, be, and hereby is, authorized, subject to the approval of the form thereof by the Executive Vice President and General Counsel, to negotiate and execute any and all documents necessary or desirable to implement the Contracts as set forth in the memorandum of the Interim President and Chief Executive Officer; 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. Procurement (Services) Contracts

i. Procurement (Services) and Other Contracts – Business Units and Facilities – Awards, Extensions, and/or Additional Funding

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation, the award and funding of the multiyear procurement services contracts set forth in the memorandum of the Interim President and Chief Executive Officer, are hereby approved for the period of time indicated, in the amounts and for the purposes listed therein, as recommended in the memorandum of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation, the contracts listed in the memorandum of the Interim President and Chief Executive Officer, are hereby approved and extended for the period of time indicated, in the amounts and for the purposes listed therein, as recommended in the memorandum of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority and Canal Corporation are, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.
ii. **Canal Corporation Fountain – Transfer of Ownership for Less Than Fair Market Value to the Town of Seneca Falls, New York**

RESOLVED, That pursuant to Title 5-A of Article 9 of the Public Authorities Law, the Canal Corporation’s Guidelines for the Disposal of Personal Property and the Power Authority Act, the Board of Directors hereby approve the transfer of ownership of the fountain, motor, transformer, display aerator nozzle, cable assemblies, lights, and lighting cable cord, as described in the memorandum of the Interim President and Chief Executive Officer, to the Town of Seneca Falls, New York; and be it further

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

c. **Governance Matters**

i. **Approval of the Minutes**

1. **Minutes of the Joint Meeting of the New York Power Authority’s Board of Trustees and Canal Corporation’s Board of Directors held on October 19, 2021**

On motion made and seconded the Minutes of the Joint Meeting of the New York Power Authority’s Board of Trustees and Canal Corporation’s Board of Directors held on October 19, 2021 were unanimously adopted.

6. **Next Meeting**

The regular joint meeting of the New York Power Authority’s Board of Trustees and the Canal Corporation’s Board of Directors will be held on January 25, 2022 unless otherwise designated by the Chairman with the concurrence of the Trustees.
Closing

On motion made by Trustee Trainor and seconded by Trustee Balboni, the meeting was adjourned at approximately 12:58 p.m.

Karen Delince
Karen Delince
Corporate Secretary
4. **Motion to Conduct an Executive Session**

I move that we conduct an executive session to discuss the financial and credit history of a particular corporation (pursuant to §105 of the Public Officers Law).
5. **Motion to Resume Meeting in Open Session**

I move to resume the meeting in Open Session.
6. **Next Meeting**

The joint Annual Meeting of the New York Power Authority’s Board of Trustees and the Canal Corporation’s Board of Directors will be held on March 29, 2022, unless otherwise designated by the Chairman with the concurrence of the members.