JOINT MEETING OF
THE NEW YORK POWER AUTHORITY BOARD OF TRUSTEES
AND
NEW YORK STATE CANAL CORPORATION BOARD OF DIRECTORS

PROPOSED AGENDA

July 26, 2022 at 8:30 A.M. (approximately)

1. Adoption of the July 26, 2022 Proposed Meeting Agenda

2. Appointment of President and Chief Executive Officer -- Resolution (John Koelmel)

3. BOARD RESOLUTION – Eugene L. Nicandri -- (John Koelmel)

4. Motion to Conduct an Executive Session

5. Motion to Resume Meeting in Open Session

6. DISCUSSION AGENDA:

   a. Strategic Initiatives
      i. Interim President and Chief Executive Officer’s Report -- (Justin Driscoll)
         1. VISION2030 Update – (Yves Noel)

   b. Chief Operating Officer’s Report -- (Brad Van Auken)

   c. Chief Commercial Officer’s Report -- (Sarah Salati)

   d. Chief Financial Officer’s Report -- (Adam Barsky)

   e. NYPA Development Report -- (Philip Toia)

   f. Diversity, Equity and Inclusion and Resource Alignment Reports:
      i. Diversity, Equity & Inclusion -- (Nancy Harvey, Eric Alemany, and Lisa Wansley)
      ii. Resource Alignment – (Steven Kalashian and Shirley Marine)

   g. 2021 Sustainability Report -- (Kerry-Jane King)
h. **Cyber and Physical Security Committee Report** -- (Chair Michael Balboni)

i. **Audit Committee Report** -- (Chair Eugene Nicandri)

   i. Audit Committee Recommendations for Approval:

   1. KPMG LLP - Audit Services and Non-Audit Advisory Services Engagements -- Resolution (Adam Barsky/Sundeep Thakur)
   2. New York Power Authority and Canal Corporation Audit Committee Charter -- Resolution (Angela Gonzalez)
   3. New York Power Authority Internal Audit Charter -- Resolution (Angela Gonzalez)

j. **Finance & Risk Committee Report** -- (Chair Tracy McKibben)

   i. Finance & Risk Committee Recommendations for Approval:

   1. Smart Path Connect Substation Construction – Contract Award -- Resolution (Andrew Boulais)
   2. Next Generation Niagara Program – Mechanical and Electrical Upgrades Project – Isolated Phase Bus Replacement – Contract Award -- Resolution (Andrew Boulais)
   4. Energy Efficiency – Cold Climate Window Heat Pump – Contract Award and Steel Waiver Request -- Resolution (Maribel Cruz-Brown, David Work)
   5. Guidelines for Compliance with Public Authorities Law § 2603-a Letting of Certain Contracts Involving Steel Projects -- Resolution (John Canale)
   6. E-Mobility Technology and Engineering – Transportation Program Consulting – Services Award Expansion -- Resolution (John Markowitz)
   7. Steel Waiver Request – Runner Band Drain Valves -- Resolution (George Fetchko)

7. **CONSENT AGENDA:**

   a. **Commercial Operations**

      i. Municipal and Rural Electric Cooperative Industrial Economic Development Program – Allocation to the Jamestown Board of Public Utilities -- Resolution (Keith Hayes)

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

      iii. Extension of the Industrial Incentive Award to Pratt Paper (NY), Inc. and Economic Development Plan -- Resolution (Keith Hayes)
iv. Replacement Power Allocation -- Resolution (Keith Hayes)

v. Recharge New York Power – New, Extended and Modified Allocations -- Resolution (Keith Hayes)

vi. High Load Factor Power Allocation -- 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)

ii. Seaway Private Equity Corporation – Grant Agreement Amendment -- Resolution (Debra Hopke)

iii. Lease Agreement for Canal Corporation’s Utica Section Facility – Resolution (Shirley Marine)

c. Governance Matters

i. Appointment of Vice Chair – NYPA/Canal Boards -- Resolution (John Koelmel)

ii. Appointment of Audit Committee Chair -- Resolution (John Koelmel)

iii. Appointment of Governance Committee Chair -- Resolution (John Koelmel)

iv. Approval of the New York Power Authority/Canal Corporation Policy on Videoconference Participation in Public Meetings -- Resolution (Karen Delince)

v. Approval of the Minutes:

1. Minutes of the Annual Joint Meeting of the New York Power Authority’s Trustees and Canal Corporation’s Board of Directors held on May 24, 2022.

8. NEXT MEETING
Memorandum

Date: July 26, 2022

To: THE BOARD OF TRUSTEES AND CANAL CORPORATION BOARD OF DIRECTORS

From: JOHN KOELMEL

Subject: Appointment of President and Chief Executive Officer

SUMMARY

The New York Power Authority’s (“Authority”) Board of Trustees and the Canal Corporation’s Board of Directors are requested to consider the appointment of Justin E. Driscoll as President and Chief Executive Officer of the Authority and the Canal Corporation.

BACKGROUND AND DISCUSSION

Under the Public Authorities Law (“PAL”) and the Authority’s and Canal Corporation’s By-Laws, the Trustees and Directors have the authority to select the President and Chief Executive Officer, subject to confirmation by the Senate. Section 2852 of the PAL provides that the Senate shall vote to confirm any appointment within 60 days of its submission to the Senate during session. If submission is made when the Senate is not in session, confirmation shall be made within 7 days of the convening for session. If the Senate fails to vote to confirm any such appointment within the prescribed time, the appointment is deemed confirmed without further Senate action.

On October 19, 2021, Gil Quiniones resigned from his position as President and Chief Executive Officer, and the Trustees designated Justin E. Driscoll as Interim President and Chief Executive Officer of the Authority and the Canal Corporation. On July 20, 2022, Governor Kathy Hochul recommended Justin E. Driscoll to serve as President and Chief Executive Officer of the Authority and the Canal Corporation.

RECOMMENDATION

Pursuant to Section 1004 of the Public Authority Act and Article IV of the Authority’s, and Canal Corporation’s By-Laws, the Trustees and Directors recommend that, based on his substantial knowledge of Authority/Canals matters, management skills, strong expertise, and record of exemplary service to the Authority and Canal Corporation, Justin E. Driscoll be elected to serve as President and Chief Executive Officer, subject to confirmation by the New York State Senate.

The attached resolution is recommended for adoption.

John R. Koelmel
Chairman
RESOLUTION

RESOLVED, That pursuant to Section 1004 of the Public Authorities Law and Article IV of the Authority’s and the Canal Corporation By-Laws, Justin E. Driscoll is hereby appointed to serve as President and Chief Executive Officer of the New York Power Authority and the Canal Corporation, subject to confirmation by the New York State Senate.
Whereas, we wish to express our gratitude to the much-loved Judge Eugene L. Nicandri, the vice chairman of the New York Power Authority and the New York State Canal Corporation board of trustees, for his 14 years of dedicated, committed and inspirational leadership; and

Whereas, Judge Nicandri has been at the center of key NYPA decision-making, playing a significant role in modernizing and upgrading the state’s electricity infrastructure, protecting and creating jobs through allocations of lower-cost electricity to businesses and other enterprises, and bringing about investments in energy efficiency and clean energy technologies; and

Whereas, because of his embrace of NYPA’s historic mission, his profound sense of public service and his extensive understanding of New York State’s power system and changing technologies, Judge Nicandri contributed significantly to New York State’s nation-leading decarbonization efforts; and

Whereas, Judge Nicandri has been an important voice in addressing the global challenge of climate change, guiding NYPA’s efforts to connect communities across the state to clean energy and other sources of renewable energy, and transition New York away from fossil fuels through a more resilient and reliable grid; and

Whereas, Judge Nicandri has helped NYPA to launch the most ambitious transformation of New York’s transmission system in more than 40 years, which will help the state achieve 70 percent renewable energy generation by 2030, a zero-emission electricity sector by 2040 and economy-wide carbon neutrality; and

Whereas, Judge Nicandri has worked tirelessly to ensure a bright future for the North Country, its natural resources and environmental stewardship, and has been one of his community’s most well-respected leaders; and

Whereas, the state-of-the-art Eugene L. Nicandri Nature Center at Robert Moses State Park in Massena, most fittingly enshrined in his name, will be a vital community resource for many years to come; and

Whereas, Judge Nicandri helped lead the integration of the New York State Canal Corporation into NYPA’s operations while launching the Reimagine the Canals program to realize the canals’ potential for tourism, recreation and environmental protection; and

Whereas, Judge Nicandri’s legal work contributed to the establishment of the Massena Electric Department in 1981 and he served with great distinction as president of the New York State County Judges Association from 1999 to 2000, and

Whereas, before becoming a county judge, he was a partner in the Massena law firm of Lavigne & Nicandri from 1966 to 1985 and served at various times as the attorney for the towns of Massena, Brasher, Louisville and Lawrence and the Village of Massena. He also served as the attorney for Massena Memorial Hospital and has been a lifelong New York Yankees fan.

Now, Therefore Be It Resolved, that the Trustees of the Power Authority and Canal Corporation of the State of New York offer their sincere congratulations to Judge Eugene L. Nicandri and send along their deepest gratitude to him for his extensive accomplishments; and extend their best wishes to him; his wife, Lois, their three sons and four grandchildren and wish him happiness in the years ahead.

July 26, 2022
4. **Motion to Conduct an Executive Session**

I move that the Board conduct an executive session to discuss the financial and credit history of a particular corporation (pursuant to §105f of the Public Officers Law).
5. **Motion to Resume Meeting in Open Session**

I move to resume the meeting in Open Session.
Interim President & CEO Report

Justin E. Driscoll
Interim President & Chief Executive Officer

July 26, 2022
“Smart Path” transmission line in the North Country two-thirds Complete
More than $230 million in energy efficiency improvements in development on CUNY campuses
NYPA awards $10,000 scholarships to 10 college-bound New Yorkers to help increase diversity in the electricity sector
New season of free “On the Canals” excursions along the New York State Canal System
NYPA launches $10 million ConnectALL pilot initiative to bring affordable broadband internet access to rural communities
NYPA announces largest municipal solar project in Westchester County in White Plains
VISION2030 - NYPAs 10-year Strategic Outlook
2022 Mid-Year Update Summary

Yves Edouard Noel
SVP of Strategy and Corporate Development
The following slides provide an update of key VISION2030 activities demonstrating tangible progress toward the authority's goals. Key accomplishments for Strategic Priorities that have been achieved thus far in 2022 are presented herein.

The purpose of this presentation is to provide the Board of Trustees with an overview of tangible progress made in support of Strategic Priorities, gain insight and their corresponding outcomes and metrics.

---

This document is separated into two sections. The first includes summaries of key accomplishments, which will be discussed with the Board of Trustees. The second is the full dashboard for metric and tactic plan monitoring.
VISION2030 making progress in advancing our mission through strategic priorities

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.

Strategic Priorities

1. Preserve Hydropower
2. Decarbonize Natural Gas
3. Lead Transmission
4. Partner w/Customer
5. Reimagine the canals
NYPA continues to manage and protect the state’s hydropower assets
Preserve the value of hydropower highlights

- Next Generation Niagara: Robert Moses main control room upgrade (Phase 1 complete; completion expected Q4, 2022)
- Commenced Requested Economic Planning Study (REPS) analysis for “Future of Hydropower” report (support mechanisms)
- Joined Climate Action Council economywide strategies subgroup to explore policy needed to achieve CLCPA
- Completed all BG unit 2-4 breaker replacements
- Invested $10M+ in strategic capital improvements

Targets achieved
11.47 TWh
Hydro Generation
Net Operating Income
Progress towards meeting our 2035 decarbonization target
Pioneer the path to decarbonization

- Completed NYPA Brentwood Facility Green Hydrogen Pilot (Q1 2022)
- Published Peaker Study in collaboration with PEAK coalition (Q1 2022)
- Issued Market Analysis report for Zone J and K (Q2 2022)
- Continued demonstration period for NYPA’s Cadenza Supercell Battery at the WPO facility in cooperation with NYSERDA
- Commenced bid analysis for developer-led utility-scale storage at NYPA sites in Zone J/K
Building transmission in New York State to unbottle renewables
Leading transmission developer, owner and operator

✓ $220M+ Capex investment in 2022 on transmission projects
  • SmartPath completion of Segment 2: MA1 (135 Structures) and partial completion of S3: MA2 (8 Structures)

✓ $100M+ added to asset base in 2022

✓ Master Service Agreement for major electrical equipment in place to expedite major transmission projects

✓ Increased NYPA’s Cost Estimating and Value Engineering capabilities to support transmission projects

✓ Y-49 Nassau County Cable reconductoring cable upgrade design completion
Providing value to our customers and partnering to accomplish CLCPA goals
Partner with our customers and the state to meet their energy goals

- 50 MW of distributed solar enabled
  - Largest municipal solar project in Westchester County - NYPA, City of White Plains energy advisor
- 46 fast chargers installed in 2022; Cumulatively passed the Evolve NY 100th milestone
- Evolve NY co-investment agreement signed
- Completed NYCDOT phase 1: 8 DCFC which support NYC goal of electrifying 6,000 public parking spaces (20%)
- Completed IOU delivery agreement to grow our electricity supply business

Customer-sited Storage & E-Mobility challenged
Econ Dev met plan in capital & jobs
Reimagining the NYS Canals System for the 21st Century
Reimagine the canals for economic and recreational benefit

- Design for Priority Project Brockport Loop Completed (*Rendering)
- On the Canals Program launched for 2022
- Additional funding support via FHWA Transportation Alternatives Program (TAP) grant attained for Brockport
- Completed A/E design review for Guy Park Manor
- Little Falls Connector Project Design Kick-off

~5 Major Capital initiatives in progress
O&M and CAPEX under run
Continuous improvement as part of the planning process
Monitoring the changing energy market dynamics to improve tactic planning and resourcing
Investigating alternative approaches for Key Performance Indicators

2023 Planning Timeline

**June**
- Kick-off 2023 Planning
- Begin Facilitated Planning Sessions
- Commence TL Tactic Planning

**July**
- Continue Facilitated Planning Sessions
- Begin Corp Strategy Vetting of Plans

**August**
- Executive Sponsor Approval of Plans

**September**
- Corp Strategy Prepares for Board Review

**October**
- Board Review and approval of 2023 Tactic Plans

**Ongoing**
- Monitor and Control the Plan

**Updated Plans**
- Updated KPIs
Outcomes – Targets and YTD actuals for June (I/II)

<table>
<thead>
<tr>
<th>Priorities</th>
<th>Measures</th>
<th>YTD Target</th>
<th>YTD Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hydropower</strong></td>
<td>Hydro net operating income ($M)</td>
<td>M</td>
<td>127.4</td>
</tr>
<tr>
<td></td>
<td>Hydro generation (TWh)</td>
<td>M</td>
<td>11.63</td>
</tr>
<tr>
<td><strong>Decarbonize</strong></td>
<td>GHG emissions intensity (lbs CO2e/MWh)</td>
<td>Q</td>
<td>930.9</td>
</tr>
<tr>
<td><strong>Transmission</strong></td>
<td>Transmission asset base ($M, deployed)</td>
<td>M</td>
<td>1,424</td>
</tr>
<tr>
<td></td>
<td>Asset Base In Execution Pipeline ($B)</td>
<td>Q</td>
<td>2.6</td>
</tr>
<tr>
<td></td>
<td>O&amp;M over gross PP&amp;E (%)</td>
<td>M</td>
<td>2.2</td>
</tr>
<tr>
<td><strong>Customer &amp; State</strong></td>
<td>Customer Satisfaction Index</td>
<td>A</td>
<td>765</td>
</tr>
<tr>
<td></td>
<td>Greenhouse gas saved (Tons)</td>
<td>M</td>
<td>5,220</td>
</tr>
<tr>
<td></td>
<td>TBTUs Conserved</td>
<td>M</td>
<td>5.75</td>
</tr>
<tr>
<td></td>
<td>Distributed solar enabled (MW)</td>
<td>Q</td>
<td>51.2</td>
</tr>
<tr>
<td></td>
<td>Storage enabled (MW)</td>
<td>Q</td>
<td>1.9³</td>
</tr>
<tr>
<td></td>
<td>Customer gross margin ($M)</td>
<td>M</td>
<td>273.1</td>
</tr>
<tr>
<td></td>
<td>Econ dev – capital invested ($B)</td>
<td>M</td>
<td>22,300</td>
</tr>
<tr>
<td></td>
<td>Econ dev – jobs created/retained (#)</td>
<td>M</td>
<td>411,000</td>
</tr>
<tr>
<td></td>
<td>E-Mobility – Total # of EV chargers</td>
<td>M</td>
<td>606</td>
</tr>
<tr>
<td></td>
<td>NYEM MMBTUs Saved/Recommended</td>
<td>M</td>
<td>22,250</td>
</tr>
<tr>
<td><strong>Reimagine</strong></td>
<td>Canals O&amp;M and capex ($M)</td>
<td>M</td>
<td>58.1</td>
</tr>
<tr>
<td></td>
<td>RTC O&amp;M and capex ($M)</td>
<td>M</td>
<td>18.6</td>
</tr>
</tbody>
</table>

---

1. Distributed solar and storage targets include MW enabled prior to the start of 2021, in line with their 2025 and 2030 CLCPA goals.
2. Reflects cumulative targets and actuals (inline with stated goals) with current year performance in comment
3. This number is a preliminary figure to be confirmed by the DER team

---

Actuals significantly higher than YTD targets largely due to an acceleration of planned completion of the OGS Chiller, which completed in June but planned for October, adding ~14k to this metric. Year-end is tracking slightly above target.

**Targets Re-baselined in June 2022**

Rising material costs and inflation are causing economic viability of battery storage projects to become less attractive for developers. Team is working to prioritize customer contracts to ensure high impact projects are not deferred by developers.

46 Chargers installed in 2022. Interconnection delays, customer siting, and supply chain constraints are causing delays to Charger installations. Team is also working to revise DCFC installation plan in support of meeting the 2025 target.

Reimagine is underrunning due to a net credit caused by over-accrual in 2021 ($4M) and rescoping of Guy Park Manor ($3M). The cumulative sum of smaller Capex underruns for RTC (15 projects) is $5.8M.
### Outcomes – Targets and YTD actuals for June (II/II)

<table>
<thead>
<tr>
<th>Enabling</th>
<th></th>
<th>YTD Target</th>
<th>YTD Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DART Rate</strong></td>
<td>M</td>
<td>0.78</td>
<td>1.33</td>
</tr>
<tr>
<td><strong>Employee engagement survey</strong></td>
<td>A</td>
<td>46</td>
<td>50</td>
</tr>
<tr>
<td><strong>Workforce engagement and development touchpoints (#)</strong></td>
<td>Q</td>
<td>3,635</td>
<td>4,631</td>
</tr>
<tr>
<td><strong>Diverse groups workforce representation (%)</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Q</td>
<td>n/a</td>
<td>24/24</td>
</tr>
<tr>
<td><strong>MWBE spend as a share of total supplier spend (%)</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td>Q</td>
<td>19</td>
<td>22.8</td>
</tr>
<tr>
<td><strong>Commercial availability (%)</strong></td>
<td>M</td>
<td>95</td>
<td>98</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBIDA ($M)</strong></td>
<td>M</td>
<td>241.1</td>
<td>309.7</td>
</tr>
<tr>
<td><strong>Days liquidity on hand (#)</strong>&lt;sup&gt;3&lt;/sup&gt;</td>
<td>M</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td><strong>Fixed charge coverage ratio</strong>&lt;sup&gt;3&lt;/sup&gt;</td>
<td>M</td>
<td>2.0</td>
<td>2.7</td>
</tr>
<tr>
<td><strong>FERC debt-to-equity ratio (%)</strong>&lt;sup&gt;4&lt;/sup&gt;</td>
<td>A</td>
<td>100.0</td>
<td>26</td>
</tr>
</tbody>
</table>

---

1. Diverse groups workforce representation shows % of workforce that identify as female and % of workforce that identify as PoC
2. MWBE spend reflects percentage of addressable procurement spend
3. Days liquidity on hand and fixed charge coverage ratio are shown with one month delay.
4. Excludes commercial paper and term debt maturing in less than one year. 2020 results - updated once a year. Target shown is a limit.

Two DART reportable injuries in June, (one at CEC and one at NIA) There were no DART reportable injuries in May. Where possible training and safety briefings have been updated. Continuing focus on improving our Safety Culture will help support our plans in meeting the Annual DART target.
## Dashboard Glossary - 1 of 3

<table>
<thead>
<tr>
<th>#</th>
<th>Measure</th>
<th>Formula</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Hydropower</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Hydro Net Operating Income</strong></td>
<td>((\text{Customer revenue} + \text{Market based power sales} + \text{Ancillary Service Revenue}) - (\text{Purchase power} + \text{Ancillary service expense} + \text{Wheeling} + \text{O&amp;M} + \text{Other expense} + \text{Allocation to capital}))</td>
<td>Net income at hydro facilities before interest, depreciation and amortization</td>
</tr>
<tr>
<td>1</td>
<td><strong>Hydro generation</strong></td>
<td>(\text{NIA} + \text{STL} + \text{B-G} + \text{Small Hydro})</td>
<td>This metric reflects the Net Generation (TWh) of all of New York Power Authority's Hydro Generating Facilities (see table below for list). The Net Generation (TWh) actuals are tracked relative to the initial budgeted Net Generation of that calendar year.</td>
</tr>
<tr>
<td></td>
<td><strong>Natural Gas</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td><strong>Emissions intensity</strong></td>
<td>(\frac{\text{CO2e (lbs)}}{\text{Energy produced (MWh)}})</td>
<td>CO2e emissions (lbs.) divided by energy produced (in MWh) in SENY region</td>
</tr>
<tr>
<td></td>
<td><strong>Transmission</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td><strong>Transmission Asset Base (EPIS)</strong></td>
<td>(\text{Gross EPIS (electric plant in service)} - \text{accumulated depreciation})</td>
<td>Transmission Gross EPIS (electric plant in service) less accumulated depreciation. This is the basis of measurement for our 3-5x 2030 growth target</td>
</tr>
<tr>
<td>4</td>
<td><strong>Asset Base in execution pipeline</strong></td>
<td>(\text{Site O&amp;M} )</td>
<td>Estimate of our 2030 transmission asset base based on execution of currently in-flight projects (e.g. Smart Path Connect) and taking estimates of depreciation and asset retirement into account</td>
</tr>
<tr>
<td>5</td>
<td><strong>O&amp;M over gross PP&amp;E</strong></td>
<td>(\frac{\text{Site O&amp;M}}{\text{Gross PP&amp;E}})</td>
<td>Transmission Site O&amp;M as a share of gross PP&amp;E as a measure of operational efficiency</td>
</tr>
<tr>
<td></td>
<td><strong>Customer &amp; State</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td><strong>GHG saved</strong></td>
<td>(\text{Total reduction and/or avoidance of Greenhouse Gas that is achieved from energy efficiency projects completed through the period})</td>
<td>Includes the amount of reduced GHG achieved by customers through use of more efficient practices and/or equipment. In the future, this measure may be expanded to include the impact of other customer-facing programs.</td>
</tr>
<tr>
<td>7</td>
<td><strong>Distributed Solar (COD)</strong></td>
<td>(\text{MW of Distributed Solar (COD)})</td>
<td>Cumulative megawatts of distributed solar installed by NYPA customers facilitated by NYPA</td>
</tr>
<tr>
<td>8</td>
<td><strong>Storage Enabled (COD)</strong></td>
<td>(\text{MW of Storage (COD)})</td>
<td>Cumulative megawatts of grid-scale and customer sited storage installed facilitated by NYPA</td>
</tr>
<tr>
<td>9</td>
<td><strong>TBTu Conserved</strong></td>
<td>(\text{Trillions of BTU conserved})</td>
<td>Trillions of British Thermal Units conserved in state facilities, coordinated by NYPA and aligned with 11 TBTu BuildSmart 2025 target</td>
</tr>
<tr>
<td>#</td>
<td>Measure</td>
<td>Formula</td>
<td>Definition</td>
</tr>
<tr>
<td>----</td>
<td>----------------------------------------------</td>
<td>---------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>11</td>
<td>Renew Customer Supply</td>
<td>( NYS\text{ renewables MWh,2018} \div NYS\text{ expected load,2030} + \frac{NYPA\text{ RECs acquired}}{NYPA\text{ load}} )</td>
<td>Aligns with state's accounting of 70x30 for LSEs. Assigns 25.7% renewables 'baseline' independent of each LSE's actual baseline renewables generation. KPI is 25.7% + (NYPA purchases of Tier 1 + Tier 4 + OSW RECs in a given period)/(NYPA load in a given period)</td>
</tr>
<tr>
<td>12</td>
<td>Customer gross margin</td>
<td>Revenue - (purchase power + ancillary service expense + fuel consumed + wheeling)</td>
<td>Derived from P&amp;L view for the following profit centers: NIA, SLT, MSP, SENY &amp; GPS. P&amp;L Revenue elements comprising this metric vary between the profit centers: For NIA/STL includes: Customer Revenue, Purchase Power, Ancillary Service Expense, Wheeling For MSP includes: Customer Revenue, Market-Based Power Sales, Purchase Power, Ancillary Service Expense, Wheeling For SENY/GPS includes: Customer Revenue, Market-Based Power Sales, Ancillary Service Revenue, Purchase Power, Ancillary Service Expense, Fuel Consumed, Wheeling</td>
</tr>
<tr>
<td>13</td>
<td>CLCPA benefits to dis. Coms</td>
<td>In development in collaboration with NYSERDA</td>
<td>As part of CLCPA, ensuring that a percentage of benefits whether environmental, financial, or other accrue to communities that bear burdens of negative public-health effects, environmental pollution, impacts of climate change, and possess certain socioeconomic criteria, or comprise high-concentrations of low- and moderate-income households</td>
</tr>
<tr>
<td>14</td>
<td>Customer Satisfaction Index</td>
<td>Aggregate Customer Satisfaction Index</td>
<td>Measure of customer satisfaction from surveys developed in partnership with J.D. Power</td>
</tr>
<tr>
<td>15</td>
<td>Economic Dev – Capital</td>
<td>Capital investment commitments by Economic Development power recipients</td>
<td>The total Capital Investment commitments made by companies who receive power from NYPA through NYPA Economic Development programs</td>
</tr>
<tr>
<td>16</td>
<td>Economic Dev – Jobs Created</td>
<td>Jobs created and retained by Economic Development power recipients</td>
<td>The total net jobs created and/or retained by companies who receive power from NYPA through NYPA Economic Development programs</td>
</tr>
<tr>
<td>17</td>
<td>E-Mobility – Total # of EV chargers</td>
<td>EVolve chargers + Customer-sited chargers (L2 + DCFC)</td>
<td>Number of customer sited chargers (a combination of L2 and DCFC) in operation combined with the number of EVolve fast chargers operational at the end of each calendar month</td>
</tr>
<tr>
<td>18</td>
<td>Data points (meters &amp; sensors)</td>
<td>Meters + Sensors</td>
<td>Total number of data generating meters and sensors (consumption and billing) in the NYEM environment</td>
</tr>
<tr>
<td>19</td>
<td>Canals Capex and O&amp;M</td>
<td>Capex + O&amp;M for Canals projects</td>
<td>Capital expenditures and operations &amp; maintenance expenditures for Canals projects</td>
</tr>
<tr>
<td>20</td>
<td>Reimagine the Canals Capex and O&amp;M</td>
<td>Capex + O&amp;M for Reimagine the Canals projects and initiatives</td>
<td>Capital expenditures and operations &amp; maintenance expenditures for the Reimagine the Canals program, including the RtC initiative</td>
</tr>
</tbody>
</table>
# Measure Formula Definition

## Enabling

<table>
<thead>
<tr>
<th>#</th>
<th>Measure</th>
<th>Formula</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>DART Rate</td>
<td>Cases involving DART [=] Total hours worked [\times] 200,000</td>
<td>The intent of this measure is to quantify our ability to limit the severity of recordable incidents resulting from NYPA operations. 200,000 multiplier is based on OSHA convention (normalizes incident rate per 100 employees)</td>
</tr>
<tr>
<td>22</td>
<td>Employee engagement survey</td>
<td>Culture of Engagement Index</td>
<td>A score based on an externally administered survey of employees that measures perception of NYPA's culture of motivation, empowerment, challenge, and respect for its employees</td>
</tr>
<tr>
<td>23</td>
<td>Engagement and Development Touchpoints</td>
<td>Number of employee engagement and development touchpoints</td>
<td>A touchpoint is any internal employee experience created to connect the organization on the various people initiatives, in order to shift the organizational culture and enhance performance.</td>
</tr>
<tr>
<td>24</td>
<td>Diverse groups workforce representation</td>
<td>TBD</td>
<td>TBD - Working with OCRI</td>
</tr>
<tr>
<td>25</td>
<td>MWBE spend as a share of total supplier spend</td>
<td>[\text{Spend with MWBE certified suppliers} \div \text{Total identified spend}]</td>
<td>The percentage of NYPA total identified (addressable) procurement spend with Minority and Women-Owned Business Enterprises – covers both prime contractors and subcontractors</td>
</tr>
<tr>
<td>26</td>
<td>Commercial Availability</td>
<td>Actual Margin [\div] Potential Margin [\times] 100</td>
<td>Actual margin captured relative to the potential margin if asset was available during optimal market conditions. The breakeven costs utilized in this metric reflect all Generator financial costs, such as Fuel, LDC charges, RGGI, Var Operating Maintenance costs.</td>
</tr>
</tbody>
</table>

## Financial Availability

<table>
<thead>
<tr>
<th>#</th>
<th>Measure</th>
<th>Formula</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>EBIDA</td>
<td>Operating revenues – operating expenses</td>
<td>Including both NYPA and Canals. Earnings before Interest, D&amp;A</td>
</tr>
<tr>
<td>28</td>
<td>Days Liquidity on Hand</td>
<td>Cash + committed undrawn availability under NYPA’s short term facilities [(\text{Operating expenses/365})]</td>
<td>The number of days NYPA can pay its operating expenses using cash on its books and available credit lines</td>
</tr>
<tr>
<td>29</td>
<td>Fixed Charge Coverage Ratio</td>
<td>Operating Income + Fixed Charges [\div] Fixed Charges + Interest on Fixed Charges</td>
<td>Measure of ability to pay fixed charges. Fixed charges include debt payments, interest expense, and equipment lease expense</td>
</tr>
<tr>
<td>30</td>
<td>FERC Debt to Equity Ratio</td>
<td>Liabilities excluding commercial paper and term debt expiring in &lt; 1 year [\div] Total equity</td>
<td>Enterprise debt-to-equity excluding commercial paper and term debt maturing in less than one year</td>
</tr>
</tbody>
</table>
STL Water Ball Replacement

• Project Goals
  • Provide a reliable supply for potable water and fire protection for the FDR-STL Power Project
  • Replace existing with a glass-lined steel water tank
  • New electric ice prevention system to remove existing oil-fired boiler house

• Accomplishments
  • Concrete tower is 100% complete
  • Tank construction is 70% complete
  • New electric service equipment installed

• Next Steps
  • Complete tank and supporting systems by end of August
  • Commissioning of water tower by end of September
  • Decommissioning of existing water ball by end of 2022
Summer Weather Preparedness

• NYPA’s Generation & Transmission Systems are prepared to support the summer peak

• Majority of Severe Weather in NY occurs between May and September

• 2021 Hurricane Season
  • 3rd Most Active
  • 6th Consecutive Above Average Season
  • 3rd Costliest (> $80 Billion in damages)

• 2022 has a similar forecast

• Proactive Cross Functional Approach

• Response Community
  • NYS Division of Homeland Security and Emergency Services
  • Mutual Aid
Trends Impacting Customer Business Lines

Preserving & enhancing hydro, decarbonizing gas fleet, supporting customers decarbonize

Energy Prices

- Energy 57%> above target; natural gas 31%> target
- Monthly Henry Hub NG spot price nearly 2x average
- Cold January, Ukraine war, inflation and COVID economic recovery impacts

Macroeconomics

- Inflation, supply chain and tight labor market challenges
- Removal of some Chinese import tariffs
- Strong acceleration of EV adoption for passenger vehicles and fleets is providing tailwinds

Mitigating Customer Impacts

- Waived annual rate adjustment
- Serving as advisor on fixed price timing
- Accelerating energy efficiency pipeline growth with federal funds supplementing budgets

---

1 Tariff Pause Won’t Solve Challenges for Solar Stocks
2 In a global tipping point, 52% of car buyers now want to purchase an EV; US Crosses the Electric-Car Tipping Point for Mass Adoption
2023-2025 NYPA Merchant Gross Margin Forecast

Accelerating outer years hedging percentages based on higher valuations

Key Drivers:
- Sustained increases in Natural Gas prices
- Decommissioning of Nuclear without replacements
- Increases in Carbon Cost (RGGI prices 2x since 2020)

Hedging Strategy:
- Accelerate when above budget prices
- Focus on ROS Capacity

<table>
<thead>
<tr>
<th>Hedging Percentages (vs Targets)</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>61% (+1.7%)</td>
<td>32% (+7.2%)</td>
<td>5% (+0.8%)</td>
</tr>
<tr>
<td>Capacity</td>
<td>59% (+3.4%)</td>
<td>25% (+6.5%)</td>
<td>5% (+3.1%)</td>
</tr>
</tbody>
</table>
Electricity Supply – Through June 2022

2022 Merchant Gross Margin Projections

- YTD Merchant Margin is $184.4 M; $42.6 M above Target $141.8 M
- Full Year Expected Value is $336.8 M; 26% above Target $267 M

Economic Development

- 1,723 Megawatts
  Power Allocated
- 429,091
  Jobs Retained and Created
- $22.6 Billion
  Capital Committed
- 254.6 Megawatts
  Power Assigned to EDCAP
# Customer Business Lines: June YTD Results

<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>Actuals - Year to Date</th>
<th>2022 Target / YE Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Clean Energy Solutions</strong></td>
<td>$112M Capital Spend</td>
<td>$259M / $251M</td>
</tr>
<tr>
<td></td>
<td>$84M Capital CPCs Signed</td>
<td>$200M / $200M</td>
</tr>
<tr>
<td><strong>e-Mobility</strong></td>
<td>38 EVolve NY DCFC Charging Ports</td>
<td>80 Ports / 80 Ports</td>
</tr>
<tr>
<td></td>
<td>$8.6M EV Charging Infra Contracts Signed</td>
<td>$9.1M / $13.6M</td>
</tr>
<tr>
<td><strong>NY Energy Manager + DER + Flexibility</strong></td>
<td>9.9MW Solar &amp; Storage Installed</td>
<td>33 MW / 30 MW</td>
</tr>
<tr>
<td></td>
<td>24.2K Cumulative MMBtus (Saved/Recommended)</td>
<td>23K MMBtus / 26.7K</td>
</tr>
</tbody>
</table>

- **Within Target**
- **Outside of Target**
- **Significantly Outside of Target Range**
Key Project Highlights

White Plains Solar Ribbon Cutting

• Largest municipal solar deployment in Westchester
• 9 sites (parking lots, landfills)
• 6.8MW community solar; 8 MWh battery ES

“Commitments to future carbon emissions reductions are good but doing the actual work to reduce carbon emissions is what really matters.” White Plains Mayor Tom Roach

NYCHA Clean Heat for All

• New heating and cooling electrification product for multi-family buildings
• Accelerating manufacturing capacity
• Supporting Environmental Justice communities in clean energy transition

Power Allocations

• Air Products: US-based industrial gas co.
• 94MW award from St. Lawrence-FDR
• Supporting NYS Regional Clean Energy Hydrogen Hub development
“The amount of information and quality of the speakers packed into this event was impressive.” (C&I customer)

“The event was] great...the presentations were really helpful. It’s great to be around people who have a knowledge level about what we’re trying to do, because your conversations are much shorter... you can learn and make progress.”

Mayor Thomas Roach, City of White Plains

“[The event] is going fantastically ...[it’s great to] have face to face conversations ... overall ... NYPA is doing incredible work and NY State is leading the charge, so people want to be a part of it.”

Mike Richter, Former NY Ranger, Olympian, President of Brightcore Energy
Women In Power Summit

“It was truly restorative to have the opportunity to laugh and learn as a community again, and the setting created to make that possible felt just right to support our growth.”

“This was a wonderful summit all the way around and I enjoyed the high energy and atmosphere the most.”

“For me it’s always an amazing gift to have the opportunity to see and converse with all the wonderful talent in person!!! It can be challenging to maintain communication and relationships working outside the hub of operations, but I’m recommitted to pulling in our sites for more involvement and collaboration.”
## YEAR-TO-DATE ACTUALS THROUGH June 30th

### YTD ACTUALS (JANUARY-JUNE 2022) 6+6

<table>
<thead>
<tr>
<th>In $ Thousands</th>
<th>2022 Budget ($)</th>
<th>2022 Current ($)</th>
<th>Variance ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Operating Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generation Revenue</td>
<td>$1,367,109</td>
<td>$1,594,393</td>
<td>$227,284</td>
</tr>
<tr>
<td>Non Utility Revenue</td>
<td>18,325</td>
<td>13,349</td>
<td>(4,976)</td>
</tr>
<tr>
<td>Ancillary Service Revenue</td>
<td>15,343</td>
<td>24,458</td>
<td>9,115</td>
</tr>
<tr>
<td>NTAC and Other</td>
<td>115,718</td>
<td>156,225</td>
<td>40,507</td>
</tr>
<tr>
<td><strong>Operating Revenue Total</strong></td>
<td>1,514,495</td>
<td>1,788,425</td>
<td>273,930</td>
</tr>
<tr>
<td>Operating Expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Power</td>
<td>(380,543)</td>
<td>(474,572)</td>
<td>(94,030)</td>
</tr>
<tr>
<td>Ancillary Service Expense</td>
<td>(15,172)</td>
<td>(15,287)</td>
<td>(115)</td>
</tr>
<tr>
<td>Fuel Consumed</td>
<td>(167,870)</td>
<td>(217,827)</td>
<td>(49,958)</td>
</tr>
<tr>
<td>Wheeling</td>
<td>(372,364)</td>
<td>(413,909)</td>
<td>(41,545)</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>(311,229)</td>
<td>(287,665)</td>
<td>23,564</td>
</tr>
<tr>
<td>Other Expense</td>
<td>(38,237)</td>
<td>(75,074)</td>
<td>(36,837)</td>
</tr>
<tr>
<td>Monetized Funds Support*</td>
<td>(7,053)</td>
<td>(24,447)</td>
<td>(17,394)</td>
</tr>
<tr>
<td>Allocation to Capital</td>
<td>19,028</td>
<td>21,808</td>
<td>2,780</td>
</tr>
<tr>
<td><strong>Operating Expense Total</strong></td>
<td>(1,273,439)</td>
<td>(1,478,742)</td>
<td>(205,302)</td>
</tr>
<tr>
<td>EBIDA Total</td>
<td>241,055</td>
<td>309,683</td>
<td>68,628</td>
</tr>
<tr>
<td><strong>Non Operating</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and Other Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment and Other Income</td>
<td>8,819</td>
<td>8,920</td>
<td>102</td>
</tr>
<tr>
<td>Mark to Market Adjustments</td>
<td>0</td>
<td>(24,447)</td>
<td>(24,447)</td>
</tr>
<tr>
<td><strong>FADS Total</strong></td>
<td>249,874</td>
<td>294,156</td>
<td>44,282</td>
</tr>
<tr>
<td>Interest &amp; Other Expenses</td>
<td>(50,921)</td>
<td>(61,562)</td>
<td>(10,641)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(160,556)</td>
<td>(151,929)</td>
<td>8,626</td>
</tr>
<tr>
<td><strong>Interest and Other Expenses Total</strong></td>
<td>(202,658)</td>
<td>(229,918)</td>
<td>(26,260)</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>$38,397</td>
<td>$80,665</td>
<td>$42,268</td>
</tr>
</tbody>
</table>

*Monetized Funds Support: Expected incremental expenses into the forecast.
EBIDA: Earnings Before Interest Depreciation & Amortization
Funds Available for Debt Service (FADS): EBIDA + Investment and Other Income + MTM Adjustments
### 2022 YEAR-END PROJECTION

#### YEAR END PROJECTION (JANUARY - DECEMBER 2022)

<table>
<thead>
<tr>
<th>In $ Thousands</th>
<th>2022 Budget ($)</th>
<th>2022 Current ($)</th>
<th>Variance ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Operating Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generation Revenue</td>
<td>$2,632,904</td>
<td>$3,500,662</td>
<td>$867,758</td>
</tr>
<tr>
<td>Non Utility Revenue</td>
<td>32,970</td>
<td>28,993</td>
<td>(3,977)</td>
</tr>
<tr>
<td>Ancillary Service Revenue</td>
<td>28,876</td>
<td>39,530</td>
<td>10,654</td>
</tr>
<tr>
<td>NTAC and Other</td>
<td>229,160</td>
<td>305,129</td>
<td>75,970</td>
</tr>
<tr>
<td><strong>Operating Revenue Total</strong></td>
<td>2,923,910</td>
<td>3,874,315</td>
<td>950,405</td>
</tr>
<tr>
<td>Operating Expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Power</td>
<td>(692,404)</td>
<td>(1,136,090)</td>
<td>(443,685)</td>
</tr>
<tr>
<td>Ancillary Service Expense</td>
<td>(30,410)</td>
<td>(29,991)</td>
<td>420</td>
</tr>
<tr>
<td>Fuel Consumed</td>
<td>(272,271)</td>
<td>(516,982)</td>
<td>(244,711)</td>
</tr>
<tr>
<td>Wheeling</td>
<td>(797,974)</td>
<td>(840,478)</td>
<td>(42,504)</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>(635,231)</td>
<td>(666,492)</td>
<td>(31,261)</td>
</tr>
<tr>
<td>Other Expense</td>
<td>(76,481)</td>
<td>(108,367)</td>
<td>(31,886)</td>
</tr>
<tr>
<td>Monetized Funds Support*</td>
<td>(7,293)</td>
<td>(67,405)</td>
<td>(60,112)</td>
</tr>
<tr>
<td>Allocation to Capital</td>
<td>50,579</td>
<td>50,204</td>
<td>(375)</td>
</tr>
<tr>
<td><strong>Operating Expense Total</strong></td>
<td>(2,461,486)</td>
<td>(3,315,600)</td>
<td>(854,114)</td>
</tr>
<tr>
<td><strong>EBIDA Total</strong></td>
<td>462,424</td>
<td>558,715</td>
<td>96,290</td>
</tr>
<tr>
<td><strong>Non Operating</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment and Other Income</td>
<td>18,041</td>
<td>18,143</td>
<td>102</td>
</tr>
<tr>
<td>Mark to Market Adjustments</td>
<td>0</td>
<td>(59,447)</td>
<td>(59,447)</td>
</tr>
<tr>
<td><strong>FADS Total</strong></td>
<td>480,466</td>
<td>517,410</td>
<td>36,945</td>
</tr>
<tr>
<td>Interest &amp; Other Expenses</td>
<td>(97,565)</td>
<td>(108,439)</td>
<td>(10,874)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(321,111)</td>
<td>(317,485)</td>
<td>3,626</td>
</tr>
<tr>
<td><strong>Interest and Other Expenses Total</strong></td>
<td>(400,635)</td>
<td>(467,228)</td>
<td>(66,593)</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td><strong>$61,790</strong></td>
<td><strong>$71,964</strong></td>
<td><strong>$118,487</strong></td>
</tr>
</tbody>
</table>

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

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

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

| Margins - Generation** | $161,442 |
| Margins - Transmission | 63,102 |
| Margins - Non Utility | (4,620) |
| **Includes Merchant Gross Margin Variance of $74,744**: Budget @ $266,910 vs Current @ $341,653 |
| Operating Expenses | (123,634) |
| Non-Operating Net | (66,593) |

<table>
<thead>
<tr>
<th>NET INCOME</th>
<th><strong>$61,790</strong></th>
<th><strong>$71,964</strong></th>
<th><strong>$118,487</strong></th>
<th><strong>$29,697</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Low Case</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expected</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>High Case</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Low Case, Expected, High Case estimated values.*
NYPA Development - Update

Philip Toia
President, NYPA Development

July 26, 2022
Growing NYPA’s Transmission Asset Base

NYPRA Involved Projects

- **Smart Path**
  - 86 miles
  - 230 kV > 345 kV
  - NYPA

- **Smart Path Connect**
  - 110 miles
  - 230 / 345 kV
  - NYPA, National Grid

- **Central East Energy Connect**
  - 93 miles
  - 345 kV
  - LS Power Grid New York, NYPA

- **Clean Path NY**
  - 180 miles
  - +/- 345 kV HVDC
  - Forward Power (Energy)Re & invenergy, NYPA

- **Propel NY Energy**
  - 138 & 345 kV
  - NYPA, NY Transco

**NYPA Operating Facilities**

- NYPA Transmission Lines
- New York State Transmission Lines Owned by Others
  - 115 kV and above

**Location Points**

- Niagara Project
- Jarvis Plant
- Clark Energy Center
- Vischer Ferry Plant
- Blenheim-Gilboa Project
- Ashokan Project
- St. Lawrence-FDR Project
- Crescent Plant
- Small Clean Power Plants (City of New York—6, Suffolk County—1)
- Flynn Plant
- Zeltmann Project
Growing NYP禀’s Transmission Asset Base

Active Transmission Projects

• Smart Path
• Smart Path Connect
• Central-East Energy Connect
• Clean Path NY
• Propel NY Energy (SENY PPTN)
DEI Foundational Pillar Update

Nancy Harvey  
Chief Diversity, Equity & Inclusion Officer

Eric Alemany  
Sr. Director Supplier Relationship Management

Lisa Wansley  
VP Environmental Justice

July 26, 2022
Office of Civil Rights and Inclusion (Tactic A)
Key 2021 Accomplishments

Increase Representation/Pipeline
✓ Tools to track applicant demographics*
✓ Digitized union pre-employment testing**
✓ Labor partnership with unions and students in community events**
✓ Increased posting to diverse outlets*
✓ Partnership with schools and professional orgs*

Build Capability
✓ Guidelines for new job descriptions*
✓ Pathways and Connected Leadership programs
✓ Hired 2 FTEs for DEI team
✓ Conducted DECI DE anti-bias training for managers
✓ DEI embedded in Management Training programs*
✓ Development plans for all diverse employees*
✓ ERG leadership development

Equity and Accountability
✓ Tracking demographics by intersectionality
✓ Publish org-wide data and metrics
✓ Expand access through open application process
✓ Conducted pay equity audit*
✓ Created transparent compensation guidelines*
✓ DEI competency in reviews introduced
✓ Multiple oversight committees
✓ KPIs and outcome-based metrics
✓ AAO process, FAQs and training

Inclusive Culture
✓ Engagement survey with DEI focus
✓ DEI Audit communications
✓ ERG feedback on policies and programs
✓ DEI in corporate values and performance reviews*
✓ 2400+ training modules conducted
✓ 32 DEI engagement initiatives
✓ DEI Month Deep Dive plan
✓ Published Better Together – Journey to DEI

Goals
• Increase representation
• Build management and staff capability
• Create an inclusive culture
• Improve transparency and accountability in policies and programs

*Represents a Human Resources action item for DEI
**Represents a Labor action item for DEI
Office of Civil Rights and Inclusion (Tactic A)
Key 2022 Accomplishments YTD

Increase Representation/Pipeline
✓ Job architecture across the org*
✓ Career path framework pilot*

Build Capability
✓ Pathways and Connected Leadership graduates
✓ ERG leadership development

Equity and Accountability
✓ DEI Business Unit Dashboard developed
✓ DEI Metrics published (ESG Report)
✓ DEI competency activation*
✓ RA process, FAQs and training developed
✓ EEO Policies refreshed and published

Inclusive Culture
✓ Working Towards Inclusive Practices (WTIPs) Series launched
✓ DEI Communications consultant identified
✓ 27 DEI engagement initiatives
✓ DEI Orientation (for New Hires) developed
✓ 3 Courageous Conversations (1500+ attendees)
✓ 54 new ERG members
✓ New ERG Policy developed

*Represents a Human Resources action item for DEI

Goals
• Increase representation
• Build management and staff capability
• Create an inclusive culture
• Improve transparency and accountability in policies and programs
Tactic A – OCRI driving DEI as a business practice
Looking Ahead to YE 2022

Our plan to partner with business units to drive DEI goals spans four categories:

Increase Representation/Pipeline
- RFP for hiring technology for recruitment*; career path framework pilot and gap analysis*; bias challenger in recruitment pilot; ERG Toolkit; Business Unit Recruiting/Attrition dashboards*

Build Capability
- Refresh/Expand custom mentoring program; continued DEI skill building; conduct SELECT/Bias training; develop DEI interventions in response to engagement survey results

Equity and Accountability
- DEI team to engage staff across all sites to improve AAO and DEI policies and process transparency; publish regular metrics on outcomes (ESG, Working Towards Inclusive Practices-WTIPs, DEI BU Dashboard); refresh all AAO/DEI policies and train staff

Inclusive Culture
- DEI comms strategy; improve ERG program structure and leader development; ERG Program enhancements – training, DEI orientation for onboarding, transparency and workstreams

*Represents a Human Resources action item for DEI.
Supplier Diversity (Tactic B)
Key 2021 Accomplishments

- Completed **Supplier Diversity Roadmap**
  - Identified 11 program, policy, and operational initiatives
- Achieved **NYS FY 20/21 Supplier Diversity Goals**
- Hosted **12 supplier outreach & educational events**
- Launched **Supplier Mentor-Protégé Program**
  - Completed program materials
  - Commenced Pilot with 3 Mentor-Protégés
- Initiated **Surety Bond Training Program**
- Partnered with the State to **enhance the diverse business certification process**

Goals

1. **Increase Awareness**
   - Education & Outreach
   - Maximize on building community and stakeholder engagement
2. **Develop Programs**
   - Capacity & Competencies
   - Training, mentoring and networking
3. **Create Opportunities**
   - Build access
   - Dismantle barriers
Supplier Diversity (Tactic B)
Key 2022 YTD Accomplishments

✓ Achieved **NYS Supplier Diversity Goals** (FY 2021/ 2022)
  • Invested over $95 million with MWBE and SDVOB

✓ Launched **Supplier Mentor-Protégé Program**
  • Completed Pilot with 3 Mentor-Protégés

✓ Initiated **Surety Bond Training Program**
  • Classes underway with over 50 diverse firms

✓ Promote **Small and Local Business Program**

✓ Partnered with the State to **establish regional presence for business certification process**

✓ Hosted **Annual Supplier Diversity Expo**

Goals

1. **Increase Awareness**
   • Education & Outreach
   • Maximize on community and stakeholder engagements

2. **Develop Programs**
   • Capacity & Competencies
   • Training, mentoring and networking

3. **Create Opportunities**
   • Build access
   • Dismantle barriers
Supplier Diversity (Tactic B)
Looking Ahead in 2022

![Image of a truck]

Supplier Diversity Commitment

- Grow the local economy
- Promote innovation
- Drive competition
- Strengthen supplier relationships

Increase Awareness
- Year-round Supplier outreach events (such as NYUL and LISC)
- Branding and Marketing

Develop Business Preparation Programs
- Launch formal Mentor Protégé Program
- Continue Surety Bond Training
- Launch Small and Local Business Training Program
- Diverse Community Assistance Program (such as ESAP)

Create Opportunities
- Review/Update annual supplier diversity goals
- Organizational training
- Update policies and procedures
Environmental Justice Program

Key 2021 Accomplishments

✓ Executed 2021 Future Energy Leaders Scholarship Program
  • Awarded 10 College Scholarships in partnership with industry and community stakeholders
  • Received final reports from Administrative Partners and implemented lessons learned for 2022 program
  • Developed RFI format for 2022 release

✓ Established 2021 3 regional P-TECH Partnerships
  • Completed 14 Paid Internships over 6-weeks
    - Be Solar HS (Buffalo) – Customer Energy Audit
    - Energy Tech HS (Queens) – Solar and Battery Storage Project
    - OHM BOCES (Utica) – NYPA Fleet Vehicle Electrification Plan
  • Ongoing best practice sharing with IBM and ConEd P-TECH teams
  • Initiated Skills Map and curriculum collaboration with P-TECH partners

✓ Initiated NYPA EJ Community Volunteer Corps
  • Completed 3 of 3 planned Volunteer Corps events
    - Community Garden Clean-up FeedMore WNY Buffalo NY
    - Community Education Day Massena Housing Authority
    - NYPA Volunteer Harvest and Food Donation Hour Children

Goals

• Increased pipeline of utility and clean energy workers of tomorrow
• Engaged NYPA community that actively contribute to NYPA’s underserved communities
• Historically disadvantaged communities benefitting from NYPA programs
Environmental Justice Program
Key 2022 Accomplishments YTD and YE look ahead

- Increased P-TECH Partnerships from 3 to 7 partner schools
  - Doubled the number of P-TECH paid internships to 28 students at NYPA facilities throughout the state
  - Established Monthly Career Academies serving over 100 students
  - Developing Skills Map and curriculum collaboration with Community College partners (Cyber Security academic track)

- Expanded NYPA EJ Community Volunteer Corps:
  - 6 events and 73 employee volunteers
    - 4 events - SENY, Utica, WNY
    - 1 planned - NNY
    - Community Partners: Hour Children, Harlem Grown, Canals Clean Up, Niagara County United Way/Habitat for Humanity, Massena Housing Authority
  - 1 Employee Choice Event

- Awarded 10 Future Energy Leader Scholarships

Goals
- Historically disadvantaged communities benefitting from NYPA programs
- Engaged NYPA community that actively contribute to NYPA’s underserved communities
- Increased pipeline of utility and clean energy workers of tomorrow
Meet The Class of 2022!

Min Aung Zaw  
City College of New York

Stephon Besancon  
SUNY Canton

Jalynn Brooks-Perkins  
Wellesley College

Trejah Brown  
Clark Atlanta University

Yusrat Sanni  
Penn State University

Jamie Sterling  
Syracuse University

Faith Toage  
SUNY Buffalo

Mapendo Tumaini  
SUNY Buffalo

Rasheem Williams  
Mary Baldwin University

Mia Williams-Payne  
University of Illinois Urbana-Champaign
Energy Xplorer
OCRI | Outcomes – as of June 30, 2022

Comments
- There are vast differences between representation across the utility sector and that of the employable NYS population.
  - While the organization exceeds utility benchmarks for POC, lags 1.3% compared to Black/African American staff.
- There are also geographic differences in representation.
  - Downstate is more diverse than upstate across race and gender.
- Further intersectionality data, U.S. Department of Labor statistics on geography and job class data will be incorporated when available.
- Although in the average range, Females had 4 points lower engagement than men.
- Engagement by race across the entire organization is consistent across Hispanic and Latino, Black and African American and Two or More Races. However, engagement for Asian Americans, while average compared to benchmark, is lower than other races.

<table>
<thead>
<tr>
<th>Category</th>
<th>% Category Downstate Employees</th>
<th>% Category Upstate Employees</th>
<th>% of All Employees</th>
<th>% Utility Benchmark</th>
<th>% NYS Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amer Indian or Alaska Nat.*</td>
<td>0.0</td>
<td>100.0</td>
<td>0.7</td>
<td>0.0</td>
<td>0.2</td>
</tr>
<tr>
<td>Asian*</td>
<td>93.9</td>
<td>6.1</td>
<td>10.8</td>
<td>1.7</td>
<td>8.4</td>
</tr>
<tr>
<td>Black or African American*</td>
<td>75.6</td>
<td>24.4</td>
<td>6.2</td>
<td>7.5</td>
<td>13.7</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td>88.3</td>
<td>11.7</td>
<td>6.5</td>
<td>3.4</td>
<td>17.9</td>
</tr>
<tr>
<td>Two or More Races*</td>
<td>86.7</td>
<td>13.3</td>
<td>0.8</td>
<td>1.0</td>
<td>2.2</td>
</tr>
<tr>
<td>White*</td>
<td>36.5</td>
<td>63.5</td>
<td>75.1</td>
<td>84.7</td>
<td>57.7</td>
</tr>
<tr>
<td>Total People of Color (POC)</td>
<td>85</td>
<td>14.9</td>
<td>24.2</td>
<td>22.2</td>
<td>42.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>% Category Downstate Employees</th>
<th>% Category Upstate Employees</th>
<th>% of All Employees</th>
<th>% Utility Benchmark</th>
<th>% NYS Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>66.3</td>
<td>33.7</td>
<td>24.1</td>
<td>24.6</td>
<td>48.4</td>
</tr>
<tr>
<td>Male</td>
<td>43.0</td>
<td>57.0</td>
<td>75.9</td>
<td>75.7</td>
<td>51.6</td>
</tr>
</tbody>
</table>

Tactic A Metrics

<table>
<thead>
<tr>
<th>Female</th>
<th>Male</th>
<th>POC</th>
<th>White</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Candidate Offers</td>
<td>27.1</td>
<td>72.9</td>
<td>52.5</td>
</tr>
<tr>
<td>% Candidate Hires</td>
<td>29.6</td>
<td>70.4</td>
<td>40.0</td>
</tr>
<tr>
<td>% Staff in Mentorship</td>
<td>YE 2022</td>
<td>YE 2022</td>
<td>YE 2022</td>
</tr>
<tr>
<td>% Representation in Succession Pipeline</td>
<td>YE 2022</td>
<td>YE 2022</td>
<td>YE 2022</td>
</tr>
<tr>
<td>% Rates of Voluntary Turnover</td>
<td>32.5</td>
<td>67.5</td>
<td>33.8</td>
</tr>
<tr>
<td>% Meeting Expectation on DEI Competency Score</td>
<td>Q1 2023</td>
<td>Q1 2023</td>
<td>Q1 2023</td>
</tr>
<tr>
<td>% Rates of Engagement</td>
<td>53</td>
<td>57</td>
<td>53</td>
</tr>
</tbody>
</table>

1. People of Color defined as self-identified for race/ethnicity for American Indian, Asian, Black or African American, Hispanic or Latino and Two or More Races. Not Hispanic or Latino noted with an asterisk
2. From PriceWaterhouse Coopers 2020 Benchmark Survey Participating companies in public and private Utilities (59 companies submitted pipeline data). Women in the Workplace benchmarks do not include aggregate population data.
3. NYS employable population is defined as 16 years and older. Source: EEO Tabulation 2014-2018 (5-Year American Community Survey Estimates) Table 3r. EEO Occupational Groups by Sex and Race/Ethnicity for Residence Geography. Total Population. Prepared by New York State Department of Labor, Division of Research and Statistics.

Note: Results for Utility Benchmark and NYS population may not add to total due to rounding.

- Women in the Workplace benchmarks do not include aggregate population data.
## Outcomes - Targets and Actuals as of June 30, 2022

<table>
<thead>
<tr>
<th>Tactic B – Supplier Diversity</th>
<th>2022 Target</th>
<th>2022 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>MWBE spend as a share of total supplier spend (%)</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>Number MWBE suppliers awarded projects</td>
<td>90</td>
<td>29</td>
</tr>
<tr>
<td>New suppliers onboarded</td>
<td>145</td>
<td>18</td>
</tr>
<tr>
<td>NYS Service Spend</td>
<td>57%</td>
<td>55%</td>
</tr>
</tbody>
</table>

**Comments**
- The current 2022 MWBE data captures Q1 as the reporting period ends and data finalized mid-July 2022

<table>
<thead>
<tr>
<th>Tactic C – Environmental Justice</th>
<th>2022 Target</th>
<th>2022 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals in internship or scholarship programs (#)</td>
<td>40</td>
<td>38</td>
</tr>
<tr>
<td>Percentage of underrepresented groups participating in internship/mentorship or scholarship programs (%)</td>
<td>n/a</td>
<td>100%</td>
</tr>
<tr>
<td>Community Corps – Volunteer opportunities (#)</td>
<td>6</td>
<td>4</td>
</tr>
</tbody>
</table>

---

1. MWBE spend data shown here are for calendar year 2021. This differs from state fiscal year reporting
2. YTD actual shows increase from 2019. 2020 MWBE onboarding heavily impacted by COVID
APPENDIX
Engagement by Race and Gender

Race: Engagement by race across the entire organization is consistent across Hispanic and Latino, Black and African American and Two or More Races. However engagement for Asian Americans, while average compared to benchmark, is lower than other races.

Gender: Engagement of Females, while in the average range, is 4 points lower than that of males.

Intersectionality: Engagement of race by gender shows the experience of women is different than that of men. Females reporting as two or more races is significantly lower than all groups.
The DEI Index measures engagement across 10 questions that promote a diverse and inclusive culture. Overall, 90% of the organization received a DEI engagement Index score of good or better. However, staff experience different levels of inclusivity based on race, gender, Business Unit, Department and Manager.

1. My manager values my talents and the contribution I make
2. People with different ideas are valued
3. It feels like everyone is on the same team
4. Everyone is treated fairly
5. There is an atmosphere of trust
6. Senior staff members are generally interested in all employees’ opinions
7. My manager gives me the freedom I need to do my job effectively
8. People who turn ideas into action are rewarded
9. People of all cultures and backgrounds are respected and valued
10. My manager emphasizes the value of diversity to create a stronger team
Our vision drives our goals which indicate the metrics we monitor/achieve as seen in Integrated DEI strategy placemat.

| 1. Vision | Establish NYPDE as a leader in DEI by developing an internal culture of inclusion, a diverse supplier base, and a commitment to environmental justice. |
| 2. Strategic objectives | Embrace diversity, equity, and inclusion as a business practice |
| 3. Goals | Be a leader in the utility industry around diversity, equity, and inclusion |
| 4. Initiatives | Increase direct, subcontractor and discretionary diverse supplier spend |
| 5. Metrics to monitor | Be an even greater source for good in neighboring underserved communities through expansion of environmental justice initiatives |

| Vision | Establish NYPDE as a leader in DEI by developing an internal culture of inclusion, a diverse supplier base, and a commitment to environmental justice. |
| Strategic objectives | Embrace diversity, equity, and inclusion as a business practice |
| Goals | Be a leader in the utility industry around diversity, equity, and inclusion |
| Initiatives | Increase direct, subcontractor and discretionary diverse supplier spend |
| Metrics to monitor | Be an even greater source for good in neighboring underserved communities through expansion of environmental justice initiatives |

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Build diverse pipeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Build diverse pipeline</td>
<td>Candidate pipeline (</td>
</tr>
<tr>
<td>Candidate pipeline</td>
<td>Interview slates (</td>
</tr>
<tr>
<td>Interview slates</td>
<td>Sr. Leader (</td>
</tr>
<tr>
<td>Sr. Leader</td>
<td>Geography (</td>
</tr>
<tr>
<td>Geography</td>
<td>Job function (</td>
</tr>
<tr>
<td>Job function</td>
<td>Build an inclusive culture</td>
</tr>
<tr>
<td>Build an inclusive culture</td>
<td>ERG participation (</td>
</tr>
<tr>
<td>ERG participation</td>
<td>Leadership participating in ERG (</td>
</tr>
<tr>
<td>Leadership participating in ERG</td>
<td>Training effectiveness (</td>
</tr>
<tr>
<td>Training effectiveness</td>
<td>Build the pipeline</td>
</tr>
<tr>
<td>Build the pipeline</td>
<td>Applicants (</td>
</tr>
<tr>
<td>Applicants</td>
<td>Projects assigned (</td>
</tr>
<tr>
<td>Projects assigned</td>
<td>Successful completions (</td>
</tr>
<tr>
<td>Successful completions</td>
<td>Firms applying for Mentor Protégé (</td>
</tr>
<tr>
<td>Firms applying for Mentor Protégé</td>
<td>New Bidders (</td>
</tr>
<tr>
<td>New Bidders</td>
<td>Reduce barriers</td>
</tr>
<tr>
<td>Reduce barriers</td>
<td>Listening sessions (</td>
</tr>
<tr>
<td>Listening sessions</td>
<td>Completed trainings (</td>
</tr>
<tr>
<td>Completed trainings</td>
<td>Outreach events (</td>
</tr>
<tr>
<td>Outreach events</td>
<td>Build Capacity</td>
</tr>
<tr>
<td>Build Capacity</td>
<td>Approved MPP relationships (</td>
</tr>
<tr>
<td>Approved MPP relationships</td>
<td>Projects applying for PTECH Internships (</td>
</tr>
<tr>
<td>Projects applying for PTECH Internships</td>
<td>PTECH Partnerships (</td>
</tr>
<tr>
<td>PTECH Partnerships</td>
<td>NYPA Mentors (</td>
</tr>
<tr>
<td>NYPA Mentors</td>
<td>Reduce Barriers</td>
</tr>
<tr>
<td>Reduce Barriers</td>
<td>Future Energy Leader Scholarships (</td>
</tr>
<tr>
<td>Future Energy Leader Scholarships</td>
<td>Employee Service</td>
</tr>
<tr>
<td>Employee Service</td>
<td>Community Corps program</td>
</tr>
<tr>
<td>Community Corps program</td>
<td>Expanded commitments to EJ communities</td>
</tr>
<tr>
<td>Expanded commitments to EJ communities</td>
<td>STEM and Adult education,</td>
</tr>
<tr>
<td>STEM and Adult education,</td>
<td>Clean energy programs</td>
</tr>
<tr>
<td>Clean energy programs</td>
<td>Build the Pipeline</td>
</tr>
<tr>
<td>Build the Pipeline</td>
<td>PTECH Internships (</td>
</tr>
<tr>
<td>PTECH Internships</td>
<td>PTECH Partnerships (</td>
</tr>
<tr>
<td>PTECH Partnerships</td>
<td>NYPA Mentors (</td>
</tr>
<tr>
<td>NYPA Mentors</td>
<td>Reduce Barriers</td>
</tr>
<tr>
<td>Reduce Barriers</td>
<td>Future Energy Leader Scholarships (</td>
</tr>
<tr>
<td>Future Energy Leader Scholarships</td>
<td>Employee Service</td>
</tr>
<tr>
<td>Employee Service</td>
<td>Volunteer Events (</td>
</tr>
<tr>
<td>Volunteer Events</td>
<td>NYPA employees participating (</td>
</tr>
<tr>
<td>NYPA employees participating</td>
<td>Commitments to EJ communities</td>
</tr>
<tr>
<td>Commitments to EJ communities</td>
<td>Investment in EJ communities (</td>
</tr>
<tr>
<td>Investment in EJ communities</td>
<td>Projects in EJ communities (</td>
</tr>
<tr>
<td>Projects in EJ communities</td>
<td>Build diverse pipeline</td>
</tr>
<tr>
<td>Build diverse pipeline</td>
<td>Support Pipeline (</td>
</tr>
<tr>
<td>Support Pipeline</td>
<td>Leadership participating in ERG (</td>
</tr>
<tr>
<td>Leadership participating in ERG</td>
<td>Training effectiveness (</td>
</tr>
<tr>
<td>Training effectiveness</td>
<td>Build the pipeline</td>
</tr>
<tr>
<td>Build the pipeline</td>
<td>Applicants (</td>
</tr>
<tr>
<td>Applicants</td>
<td>Projects assigned (</td>
</tr>
<tr>
<td>Projects assigned</td>
<td>Successful completions (</td>
</tr>
<tr>
<td>Successful completions</td>
<td>Firms applying for Mentor Protégé</td>
</tr>
<tr>
<td>Firms applying for Mentor Protégé</td>
<td>New Bidders</td>
</tr>
<tr>
<td>New Bidders</td>
<td>Reduce barriers</td>
</tr>
<tr>
<td>Reduce barriers</td>
<td>Listening sessions</td>
</tr>
<tr>
<td>Listening sessions</td>
<td>Completed trainings</td>
</tr>
<tr>
<td>Completed trainings</td>
<td>Outreach events</td>
</tr>
<tr>
<td>Outreach events</td>
<td>Build Capacity</td>
</tr>
<tr>
<td>Build Capacity</td>
<td>Approved MPP relationships</td>
</tr>
<tr>
<td>Approved MPP relationships</td>
<td>Projects applying for PTECH Internships</td>
</tr>
<tr>
<td>Projects applying for PTECH Internships</td>
<td>PTECH Partnerships</td>
</tr>
<tr>
<td>PTECH Partnerships</td>
<td>NYPA Mentors</td>
</tr>
<tr>
<td>NYPA Mentors</td>
<td>Reduce Barriers</td>
</tr>
<tr>
<td>Reduce Barriers</td>
<td>Future Energy Leader Scholarships</td>
</tr>
<tr>
<td>Future Energy Leader Scholarships</td>
<td>Employee Service</td>
</tr>
<tr>
<td>Employee Service</td>
<td>Volunteer Events</td>
</tr>
<tr>
<td>Volunteer Events</td>
<td>NYPA employees participating</td>
</tr>
<tr>
<td>NYPA employees participating</td>
<td>Commitments to EJ communities</td>
</tr>
<tr>
<td>Commitments to EJ communities</td>
<td>Investment in EJ communities</td>
</tr>
<tr>
<td>Investment in EJ communities</td>
<td>Projects in EJ communities</td>
</tr>
<tr>
<td>Projects in EJ communities</td>
<td>Build diverse pipeline</td>
</tr>
<tr>
<td>Build diverse pipeline</td>
<td>Support Pipeline</td>
</tr>
<tr>
<td>Support Pipeline</td>
<td>Leadership participating in ERG</td>
</tr>
<tr>
<td>Leadership participating in ERG</td>
<td>Training effectiveness</td>
</tr>
<tr>
<td>Training effectiveness</td>
<td>Build the pipeline</td>
</tr>
<tr>
<td>Build the pipeline</td>
<td>Applicants</td>
</tr>
<tr>
<td>Applicants</td>
<td>Projects assigned</td>
</tr>
<tr>
<td>Projects assigned</td>
<td>Successful completions</td>
</tr>
<tr>
<td>Successful completions</td>
<td>Firms applying for Mentor Protégé</td>
</tr>
<tr>
<td>Firms applying for Mentor Protégé</td>
<td>New Bidders</td>
</tr>
<tr>
<td>New Bidders</td>
<td>Reduce barriers</td>
</tr>
<tr>
<td>Reduce barriers</td>
<td>Listening sessions</td>
</tr>
<tr>
<td>Listening sessions</td>
<td>Completed trainings</td>
</tr>
<tr>
<td>Completed trainings</td>
<td>Outreach events</td>
</tr>
<tr>
<td>Outreach events</td>
<td>Build Capacity</td>
</tr>
<tr>
<td>Build Capacity</td>
<td>Approved MPP relationships</td>
</tr>
<tr>
<td>Approved MPP relationships</td>
<td>Projects applying for PTECH Internships</td>
</tr>
<tr>
<td>Projects applying for PTECH Internships</td>
<td>PTECH Partnerships</td>
</tr>
<tr>
<td>PTECH Partnerships</td>
<td>NYPA Mentors</td>
</tr>
<tr>
<td>NYPA Mentors</td>
<td>Reduce Barriers</td>
</tr>
<tr>
<td>Reduce Barriers</td>
<td>Future Energy Leader Scholarships</td>
</tr>
<tr>
<td>Future Energy Leader Scholarships</td>
<td>Employee Service</td>
</tr>
<tr>
<td>Employee Service</td>
<td>Volunteer Events</td>
</tr>
<tr>
<td>Volunteer Events</td>
<td>NYPA employees participating</td>
</tr>
<tr>
<td>NYPA employees participating</td>
<td>Commitments to EJ communities</td>
</tr>
<tr>
<td>Commitments to EJ communities</td>
<td>Investment in EJ communities</td>
</tr>
<tr>
<td>Investment in EJ communities</td>
<td>Projects in EJ communities</td>
</tr>
<tr>
<td>Projects in EJ communities</td>
<td>Build diverse pipeline</td>
</tr>
<tr>
<td>Build diverse pipeline</td>
<td>Support Pipeline</td>
</tr>
<tr>
<td>Support Pipeline</td>
<td>Leadership participating in ERG</td>
</tr>
<tr>
<td>Leadership participating in ERG</td>
<td>Training effectiveness</td>
</tr>
<tr>
<td>Training effectiveness</td>
<td>Build the pipeline</td>
</tr>
<tr>
<td>Build the pipeline</td>
<td>Applicants</td>
</tr>
<tr>
<td>Applicants</td>
<td>Projects assigned</td>
</tr>
<tr>
<td>Projects assigned</td>
<td>Successful completions</td>
</tr>
<tr>
<td>Successful completions</td>
<td>Firms applying for Mentor Protégé</td>
</tr>
<tr>
<td>Firms applying for Mentor Protégé</td>
<td>New Bidders</td>
</tr>
<tr>
<td>New Bidders</td>
<td>Reduce barriers</td>
</tr>
<tr>
<td>Reduce barriers</td>
<td>Listening sessions</td>
</tr>
<tr>
<td>Listening sessions</td>
<td>Completed trainings</td>
</tr>
<tr>
<td>Completed trainings</td>
<td>Outreach events</td>
</tr>
<tr>
<td>Outreach events</td>
<td>Build Capacity</td>
</tr>
<tr>
<td>Build Capacity</td>
<td>Approved MPP relationships</td>
</tr>
<tr>
<td>Approved MPP relationships</td>
<td>Projects applying for PTECH Internships</td>
</tr>
<tr>
<td>Projects applying for PTECH Internships</td>
<td>PTECH Partnerships</td>
</tr>
<tr>
<td>PTECH Partnerships</td>
<td>NYPA Mentors</td>
</tr>
<tr>
<td>NYPA Mentors</td>
<td>Reduce Barriers</td>
</tr>
<tr>
<td>Reduce Barriers</td>
<td>Future Energy Leader Scholarships</td>
</tr>
<tr>
<td>Future Energy Leader Scholarships</td>
<td>Employee Service</td>
</tr>
<tr>
<td>Employee Service</td>
<td>Volunteer Events</td>
</tr>
<tr>
<td>Volunteer Events</td>
<td>NYPA employees participating</td>
</tr>
<tr>
<td>NYPA employees participating</td>
<td>Commitments to EJ communities</td>
</tr>
<tr>
<td>Commitments to EJ communities</td>
<td>Investment in EJ communities</td>
</tr>
<tr>
<td>Investment in EJ communities</td>
<td>Projects in EJ communities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outcome metrics</th>
<th>Diverse Groups Representation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diverse Groups Representation</td>
<td>Diverse Candidate Offers</td>
</tr>
<tr>
<td>Diverse Candidate Offers</td>
<td>Diverse Successor Pipeline</td>
</tr>
<tr>
<td>Diverse Successor Pipeline</td>
<td>Diverse Voluntary Turnover Rate</td>
</tr>
<tr>
<td>Diverse Voluntary Turnover Rate</td>
<td>MWBE spend as a share of total supplier spend (</td>
</tr>
<tr>
<td>MWBE spend as a share of total supplier spend</td>
<td>Number suppliers awarded projects (</td>
</tr>
<tr>
<td>Number suppliers awarded projects</td>
<td>New suppliers onboarded (</td>
</tr>
<tr>
<td>New suppliers onboarded</td>
<td>Individuals in internship or scholarship programs</td>
</tr>
<tr>
<td>Individuals in internship or scholarship programs</td>
<td>Percentage of underrepresented groups participating in internship/mentorship or scholarship programs (</td>
</tr>
<tr>
<td>Percentage of underrepresented groups participating in internship/mentorship or scholarship programs</td>
<td>Community Corps – Volunteer opportunities (</td>
</tr>
<tr>
<td>Community Corps – Volunteer opportunities</td>
<td>Investment in EJ communities (</td>
</tr>
<tr>
<td>Investment in EJ communities</td>
<td>Projects in EJ communities (</td>
</tr>
<tr>
<td>Projects in EJ communities</td>
<td>1. Diverse groups defined as employees that self identify in gender and race/ethnic categories. People of Color (POC) consists of American Indian, Asian, Black or African American, Hispanic or Latino and Two or More Races.</td>
</tr>
<tr>
<td>1. Diverse groups defined as employees that self identify in gender and race/ethnic categories. People of Color (POC) consists of American Indian, Asian, Black or African American, Hispanic or Latino and Two or More Races.</td>
<td>2. MWBE spend data shown here are for calendar year 2021. This differs from state fiscal year reporting</td>
</tr>
<tr>
<td>2. MWBE spend data shown here are for calendar year 2021. This differs from state fiscal year reporting</td>
<td>3. YTD actual shows increase from 2019. 2020 onboarding heavily impacted by COVID</td>
</tr>
<tr>
<td>3. YTD actual shows increase from 2019. 2020 onboarding heavily impacted by COVID</td>
<td>4. Preliminary 2020 data. May not align forthcoming FY20-21 CLCPA report. NYSERDA/Climate Action Counsel (CAC) has yet to define the reporting performance period, allocation rules, metrics, etc. or finalize the definition of a Disadvantage Community for use in formal CLCPA reporting</td>
</tr>
</tbody>
</table>
| 4. Preliminary 2020 data. May not align forthcoming FY20-21 CLCPA report. NYSERDA/Climate Action Counsel (CAC) has yet to define the reporting performance period, allocation rules, metrics, etc. or finalize the definition of a Disadvantage Community for use in formal CLCPA reporting | **Note:** Please refer to the full report for detailed information on metrics.
Resource Alignment – VISION2030 Foundational Pillar Update

Steven Kalashian
VP Human Resources & Organizational Development

Shirley Marine
VP Enterprise Shared Services

July 26, 2022
Resource Alignment

Supporting our clean energy goals by making our workforce as skilled as possible, improving access to information, and optimizing our core processes

<table>
<thead>
<tr>
<th>Tactic</th>
<th>Strategic Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>A – Workforce Planning</td>
<td>Create innovative and curated experiences to attract, engage, and inspire a skilled, diverse, and resilient workforce</td>
</tr>
<tr>
<td>B – Knowledge Management</td>
<td>Capture the institutional knowledge and wisdom within the organization, and use innovative approaches to make it accessible to NYPA staff</td>
</tr>
<tr>
<td>C – Process Excellence</td>
<td>Optimize NYPA’s core business processes and instill a culture of continuous improvement across the enterprise</td>
</tr>
</tbody>
</table>
2021 Key Accomplishments

Curate custom experiences for employees to enhance their knowledge, skills and abilities. Build a talent pipeline of future leaders.
- Launched Pathways program with mentoring in collaboration with OCRI
- Provided anti-bias training for leadership; embedded DEI into Blue Standard suite of signature development programs
- Established Coaching on Demand program for broader access across org, and incorporated assessments into programming for deeper leadership development

Engage & align organization with VISION2030
- Strengthened culture by announcement of new organizational values
- Introduction of DEI competency
- Overall employee engagement scores continued to increase

Continue to evaluate and refine talent attraction approach in a competitive market
- Launched Hiring Manager and New Employee survey
- Built out recruiting metric dashboards
- Incorporated DEI additional best practices in building diverse talent pipeline

Build org resilience through effective knowledge & content management strategies
- Established real-time Lessons Learned sharing and capture
- Evolved Knowledge Transfer program for key roles, anchored in social learning
- Enhanced org-wide awareness of content management
Tactic A – Workforce Planning
Recent Milestones & Upcoming Deliverables

Creating transparent career pathways for employees to drive their career development

✓ Refreshed job architecture and completed market analysis
✓ Pilot to define technical competencies
  ▪ Review of job description framework
  ▪ Enable visualization of career pathways

Enhance existing people management processes to create a more engaging employee and manager experience

✓ Enhanced Succession Planning process by bringing strategic talent insights to leaders and directors to allow targeted action planning and transparency
✓ Embedded new DEI Competency into Performance Management process
✓ Enhanced Learning Strategy – new series-focused sessions to allow deeper development & practice, & a more just-in-time format embedded in the flow of work
  ▪ Building out Bias Challenger role into Recruiting Process

Activating our values to enhance company culture and drive performance to VISION2030

✓ Partnered with Communications to embed Values into Comms strategy
✓ Designed, piloted and now rolling out of Words & Actions Culture Workshops
  ▪ 2022 Eureka! Innovation Challenge
Tactic B – Knowledge Management
Recent Milestones & Upcoming Deliverables

**Fostering an innovative knowledge-sharing culture and providing employees with tools to capture, share and reuse knowledge assets**

- Expanded Pilot for Knowledge Transfer (KT) Program
- Developed unique Knowledge Partner Role
  - Expand cohort of Subject Matter Experts
  - Link KT to Succession Planning

**Systematically collecting & organizing information to allow seamless access through Enterprise Content Management**

- Expanded pilot groups to offer customized content solutions
- Initiated content governance through Charter and draft Policy
- Launched Teatime for Teams to build org awareness & capability
  - Key focus is now cross-functional partnership with SharePoint Upgrade team to support streamlined transfer of content on appropriate platform
  - Improve findability across platforms
Our Charter

Optimize NYPA’s core business processes and instill a culture of continuous improvement across the enterprise
Our Focus – Implement industry best practices to drive efficiencies

Build Organizational Capability
• White Belt Certification
• Yellow Belt Certification
• Green Belt Certification

Intermediate-level Improvements
• Process Excellence team support staff trained to lead and implement intermediate-level improvements
• Agile / Scrum Coaching
• Support for staff using Agile, Lean and Six Sigma methodologies

Expert-level Improvements - High Impact Areas
• Process Excellence Black Belts lead complex and high impact improvement projects
• Maintain inventory of processes for prioritization & implementation
• Scalable automation
Goals

- **Build Enterprise Base Competency and Adoption**
- **Implement intermediate and expert-level process improvements**
- **Drive process optimization for high-impact areas and automation opportunities**

**Process Excellence 2021 Accomplishments**

Optimize core business processes and instill culture of continuous improvement

**Provide staff with process improvement and work management capabilities and drive adoption**

- Trained 600+ employees on process improvement best practice tools resulting in efficiency savings as high as 15% in some areas
- Certified ~500 NYPA Yellow Belts

**Process improvement projects for high-impact areas**

- Completed 10 major projects which contributed to over $4M in savings
- Benefits across multiple business units include revenue generation, capacity savings, cost savings and cost avoidance

**Process improvement inventory and automation**

- Implemented centralized enterprise-wide process mapping platform
- Digitize 29 initial processes to gain transparency, connectivity and efficiencies
- Identified 60 automation opportunities across several business units resulting in the implementation of 18 digital solutions (i.e., electronic intake forms, work order scanning, COVID attestation workflow)

**Realized Savings:** $4.7M
2021 Process Excellence Projects
Outcome: $4.7M

Revenue Generating
Unlocked revenue generating Clean Energy business opportunities through intake process standardization and digitization

Cost Avoidance
Protected NYPA against unexpected expenses by developing controls to reduce the risk of HIPPA fines

Capacity Savings
Increased staff capacity by Work Order digitization, adding checklists, and optimizing processes & documentations

Cost Savings
Targeted and challenged financial reserves for Flexible Spending Accounts to free up $150K

Risk Reduction
Strengthened Benefits Invoicing process controls to result in a more certain outcome
Process Improvement and Work Management Capabilities & Adoption

2022 Highlights

Enterprise-wide Process Database

• Enterprise-wide process database (compiled from surveys, stakeholder interviews, business controls and Internal Audit) for analyzing, prioritizing and tracking processes for improvement
• Business Unit dashboards for accountability and oversight

Certification and Application

• Completed Yellow Belt and Green Belt Certification Training ~150 employees (~650 trained staff overall with 98% applying tools)
• Year-end projected benefit ~$1.5M
Process Improvement Projects for High-impact Areas

2022 Highlights

Expert and intermediate-level projects
- Process Improvement projects with YTD savings of ~ $3M

Risk Framework
- Compares the risk of failure - before and after an improvement has been implemented

Example – Black Belt Project

Impacted Departments:
- Benefits
- Accounts Payable
- Insurance
- Business Controls

Project Benefits:
- Cost Savings = $150K
- Cost Avoidance = $50K
- Capacity Savings = $110K
- Risk Mitigation (RPN) = 130 Improvement

**Risk Framework**

* Improvement of average scores after implementation of 5 solutions. Substantial Detection capability improvements.
Scaling Process Improvements Through Tools & Automation

2022 Highlights

Scaling Improvements Through Process Mapping
- Build alignment and visibility of enterprise-wide processes
- Digitized ~200 process maps for org-wide use

Accelerated Process Improvement Delivery
- Real-time access to end-to-end processes reduce redundancy and improve accuracy
- Reduced process improvement cycle time for expert-level projects 30% by using Kaizen methodology
Our 2021 Sustainability Report describes ESG progress and highlights key milestones in the fight against climate change

• Addresses the 15 material ESG issues identified in NYPA’s 2020 materiality assessment

• Presents stories in three sections: Our Planet, Our Community, Our People

• Aligns with leading ESG standards: GRI, SASB and TCFD*

*Global Reporting Initiative, Sustainability Accounting Standards Board, Task Force on Climate Related Financial Disclosures
Our Planet describes the critical role both transmission and generation are playing in the carbon transition

Key stories include:

- Smart Path Connect to expand transmission and interconnect renewables
- Next Gen NIA to modernize hydro generation for future generations
- SCPP battery study and Brentwood pilot exploring strategies to decarbonize our assets
- Climate vulnerability assessment modeling physical climate impacts to increase resilience
Our Community explores some of the ways we are helping customers and communities achieve their sustainability goals

- Electrify customer bus fleets to provide clean public transport
- Support customer solar to reduce energy costs and carbon footprint
- Provide affordable power to bolster local economies
- Create the NY Energy Zone as a community resource
- Revitalize Canals eco-tourism with On the Canals
Our People highlights our efforts to build a diverse, inclusive and resilient workforce and foster professional growth

- SustainAble U - Let’s Get Climate Smart employee training to increase climate literacy
- Pathways and other programs to advance careers of employees from historically unrepresented groups
- P-TECH internships to prepare high school students from underserved communities for careers in STEM
- Health & Safety and mental well-being programs to support a resilient workforce
# 2021 BY-THE-NUMBERS

We have mapped our 2021 achievements to the 2015 United Nations Sustainable Development Goals (UN SDGs) most relevant to our strategic priorities and stakeholders.

<table>
<thead>
<tr>
<th><strong>88%</strong></th>
<th>electricity generated from renewable hydropower</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$246M+</strong></td>
<td>Invested in capital work for energy efficiency projects at customer facilities</td>
</tr>
<tr>
<td><strong>58,286 MWh</strong></td>
<td>of customer savings achieved through implementation of energy efficiency measures</td>
</tr>
<tr>
<td><strong>2,500+</strong></td>
<td>employees trained in climate science</td>
</tr>
<tr>
<td><strong>10</strong></td>
<td>employees graduated from the Bard College MBA in Sustainability program</td>
</tr>
<tr>
<td><strong>$87M+</strong></td>
<td>awarded to NYS certified minority and women owned businesses, which was recognized by the state with an A+ report card[^1]</td>
</tr>
</tbody>
</table>

**UN SDG 8**
Promote Sustainable, Inclusive and Sustainable Economic Growth, Full and Productive Employment and Decent Work for All

| **$207M** | invested in Smart Path, Smart Path Connect and Central East Energy Connect transmission projects to integrate more renewables |
| **$61M** | invested in modernizing our infrastructure through our Next Generation Niagara and Lewiston Pump-Generating Plant modernization projects |
| **$39M** | agreement reached to install charging stations for MTA’s electric bus fleet |
| **5 TBtu** | energy savings milestone achieved in statewide BuildSmart 2025 program administered by NYPA, equivalent to the annual electricity use of about 200,000 homes |

**UN SDG 9**
Build Resilient Infrastructure, Promote Inclusive and Sustainable Industrialization and Foster Innovation

| **1,000** | trees planted with customers, sequestering more than 10 tons of carbon |

**UN SDG 15**
Protect, Restore and Promote Sustainable Use of Terrestrial Ecosystems, sustainability Manage Forests, Combat Desertification, And halt and reverse Land Degradation and halt Biodiversity Loss.

[^1]: Source: [NY State Department of Energy, Commerce and Climate Change](https://www.ny.gov)
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership Letter</td>
<td>2</td>
</tr>
<tr>
<td>2021 BY-THE-NUMBERS</td>
<td>3</td>
</tr>
<tr>
<td>About Our Reporting</td>
<td>4</td>
</tr>
<tr>
<td>Material ESG Issues</td>
<td>5</td>
</tr>
<tr>
<td>Sustainability Governance</td>
<td>6</td>
</tr>
<tr>
<td>OUR PLANET</td>
<td>7</td>
</tr>
<tr>
<td>OUR COMMUNITY</td>
<td>16</td>
</tr>
<tr>
<td>OUR PEOPLE</td>
<td>24</td>
</tr>
<tr>
<td>DISCLOSURES INDEX</td>
<td>32</td>
</tr>
<tr>
<td>Performance Data</td>
<td>33</td>
</tr>
<tr>
<td>GRI Index</td>
<td>42</td>
</tr>
<tr>
<td>SASB Index</td>
<td>52</td>
</tr>
<tr>
<td>About Us</td>
<td>57</td>
</tr>
</tbody>
</table>
Climate change is one of the most complex challenges facing the world today and while it is a global issue, it is often felt on a local scale. As the largest state electric utility in the nation and operators of an iconic Canal System, NYPA and Canals' top priority is to address climate change to protect our planet, our community and our people.

**OUR PLANET**—We are taking a comprehensive approach to tackling climate change by reducing our emissions, hardening our infrastructure and enhancing the resilience of natural ecosystems under our stewardship.

**OUR COMMUNITY**—Helping our customers meet their economic and climate goals and facilitating sustainability programs in neighboring communities is essential to our clean energy future.

**OUR PEOPLE**—Supporting employees is paramount. They are the leaders and workers of today and for generations to come—for NYPA and Canals, and for the growth of New York State. Expanding their climate change knowledge, equipping them with the skills they need, and guarding their health and safety are the focus of our actions.
LEADING THE PATH TO SUSTAINABILITY

Climate change and our sustainability decisions play a substantial role in our every decision and action. We take guidance from the wise worldview of the Seventh Generation Principle of the Haudenosaunee philosophy that decisions and actions should result in a sustainable world for seven generations into the future.

This report sends a loud, clear and detailed statement that we can have a dramatic effect on our planet’s destiny.

From modernizing our generation and transmission assets to expanding the use of renewable energy sources, helping our customers reduce their carbon footprint, preserving our environmental resources and training the energy workforce, we are committed to a better environment.

Through the disruption of the COVID-19 pandemic, we embraced the opportunity to recalibrate our sustainability efforts by pursuing innovation and technology to tackle climate change.

We are more determined than ever to make significant progress toward unlocking the future of decarbonization. Our groundbreaking goal of generating 100 percent carbon-free electricity by 2035 is five years ahead of the target set under the New York State Climate Leadership and Community Protection Act. Our portfolio continues to evolve and expand to make clean renewable energy available, accessible and affordable in greater amounts.

There is an inextricable connection between shifting to clean energy faster, educating our workforce on sustainability, supporting our customers and communities, and accomplishing VISION2030—our strategic plan built around the people of New York State. The underlying context for this year’s sustainability report, guided by our Sustainability Plan 2021-2025, shows that environmentally conscious operations, social responsibility and corporate governance are but different facets of the same story, same culture and same mindset.

Additionally, we continue to build a more diverse and inclusive workforce as a key pillar of our Environmental, Social and Governance commitment. As outlined in our Diversity, Equity & Inclusion Report, NYPA is advancing sustainable progress while also transitioning to a green economy.

Playing a predominant role in energy and environmental stewardship for our state has been core to our work for years, but there is more to do. As the leaders of NYPA and Canals, we are dedicated to looking seven generations ahead, and committed to decisions and actions that will have a profound and transformative effect for decades to come.
2021 BY-THE-NUMBERS
We have mapped our 2021 achievements to the 2015 United Nations Sustainable Development Goals (UN SDGs) most relevant to our strategic priorities and stakeholders.

88% of electricity generated from renewable hydropower

$246M+ Invested in capital work for energy efficiency projects at customer facilities

58,286 MWh of customer savings achieved through implementation of energy efficiency measures

UN SDG 7
Ensure Access to Affordable, Reliable, Sustainable and Modern Energy for All

426,505 jobs created/maintained through our economic development electric power programs

UN SDG 8
Promote Sustained, Inclusive and Sustainable Economic Growth, Full and Productive Employment and Decent Work for All

2,500+ employees trained in climate science

10 employees graduated from the Bard College MBA in Sustainability program

UN SDG 13
Take Urgent Action to Combat Climate Change and its Impacts

$207M invested in Smart Path, Smart Path Connect and Central East Energy Connect transmission projects to integrate more renewables

UN SDG 9
Build Resilient Infrastructure, Promote Inclusive and Sustainable Industrialization and Foster Innovation

$61M invested in modernizing our infrastructure through our Next Generation Niagara and Lewiston Pump-Generating Plant modernization projects

UN SDG 11
Make Cities and Human Settlements Inclusive, Safe, Resilient and Sustainable

$39M agreement reached to install charging stations for MTA’s electric bus fleet

5 TBtu energy savings milestone achieved in statewide BuildSmart 2025 program administered by NYPA, equivalent to the annual electricity use of about 200,000 homes

UN SDG 15
Protect, Restore and Promote Sustainable Use of Terrestrial Ecosystems, Sustainably Manage Forests, Combat Desertification, And Hait and Reverse Land Degradation and Hait Biodiversity Loss

$87M+ awarded to NYS certified minority and women owned businesses, which was recognized by the state with an A+ report card

UN SDG 5
Achieve Gender Equality and Empower All Women and Girls

1,000 trees planted with customers, sequestering more than 10 tons of carbon

UN SDG 15
Protect, Restore and Promote Sustainable Use of Terrestrial Ecosystems, Sustainably Manage Forests, Combat Desertification, And Hait and Reverse Land Degradation and Hait Biodiversity Loss

1 Equals 22% of NYPA and Canals’ total eligible MWBE spend which is calculated using established New York State criteria, including but not limited to, services to be performed, availability of certified suppliers and geographic location.
ABOUT OUR REPORTING

The 2021 Sustainability Report details our environmental, social and governance (ESG) performance and progress toward achieving the goals outlined in the Sustainability Plan 2021-25. It is designed to respond to stakeholder expectations and hold us accountable in leveraging sustainability for long-term value creation.

> The report was prepared with reference to the Global Reporting Initiative (GRI) Standards
> Our disclosures are aligned with the Sustainability Accounting Standards Board (SASB) Electric Utilities Standard
> We highlight our alignment with the United Nations Sustainable Development Goals
> We have also included our approach to integrating the Task Force on Climate-related Financial Disclosures (TCFD) and will continue to work on aligning our disclosures with TCFD as our reporting journey progresses
> To reinforce our commitment to sustainability, we have the ambition to become among the first U.S. utilities and government entities to adopt the Integrated Reporting Framework and issue a 2022 integrated report.

The Executive Management Committee (EMC) and Board of Trustees oversee sustainability performance management and reporting, which includes the review and approval of this report.

Data in this report were collected by internal stakeholders from facilities and assets owned and operated by NYPA and Canals. Estimations, exclusions and additions are noted where applicable.

OUR SUSTAINABILITY ROADMAP

VISION2030, our 10-year plan, drives our mission to 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. It is a blueprint to achieve our vision of a thriving, resilient New York State powered by clean energy. ESG, a foundational pillar of VISION2030, is central to our plan. Our ESG ambition is to deliver a best-in-class sustainability strategy to meet the present and future needs of our stakeholders and ensure long-term environmental, social, governance and economic performance.

Our Sustainability Plan 2021-25 identifies goals and strategies to address NYPA and Canals’ 15 material ESG issues. The plan aligns with VISION2030 and was developed in collaboration with subject matter experts across the organization. As a living document, it will evolve with the changing environmental, social and governance context. We are creating annual ESG Action Plans to track progress across 55 goals identified in the plan and ensure the entire organization is participating in the plan’s success.

2 NYPA has posted various documents (including this report) on its website related to various climate action plans, information, policies and reports (collectively, along with such documents, the “Reports”) prepared by NYPA. These Reports have not been prepared with a view to an investment decision by investors in any of NYPA’s bonds and, therefore, are not suitable to serve as the basis for making any such investment. Instead, these Reports are provided to investors for general information only. NYPA makes no representation concerning the accuracy or completeness of the information contained in these Reports.
# MATERIAL ESG ISSUES

We conducted a comprehensive ESG materiality assessment in 2020. The process resulted in the identification of 15 material ESG issues important to our stakeholders and our business.

## E: ENVIRONMENTAL

**CLIMATE CHANGE & GHG EMISSIONS**
Adaptation to and mitigation of climate change impacts and risks, and the capitalization of associated business opportunities, as well as NYPA’s Scope 1 (direct), Scope 2 (energy indirect) and Scope 3 (other indirect) greenhouse gas emissions

**RENEWABLE ENERGY & ENERGY STORAGE**
Renewable energy capacity, generation, storage and consumption

**ENERGY RELIABILITY**
Reliability of NYPA’s network and infrastructure for consistent and uninterrupted supply, including optimization and innovation of smart grid technologies and transmission systems

**ENERGY EFFICIENCY & ELECTRIFICATION**
Electrification and energy efficiency of NYPA and Canals’ infrastructure, including buildings, facilities and vehicle fleet

**ENVIRONMENTAL STEWARDSHIP**
Management and minimization of water, waste, and air effluent and emissions, conservation of natural resources, promotion of biodiversity, and increased resilience and carbon sequestration on land owned or managed by NYPA and Canals

## S: SOCIAL

**HEALTH & SAFETY**
Promotion and management of physical and mental health and safety in the workplace, and prevention of harm in the communities in which NYPA and Canals operate

**EMPLOYEE DEVELOPMENT**
Attraction and retention of talent, and the development of NYPA and Canals employees

**DIVERSITY, EQUITY & INCLUSION**
Commitments and actions that build and maintain a diverse, equitable and inclusive culture in the workplace and across NYPA and Canals’ value chain

**COMMUNITY ENGAGEMENT**
Interaction and communication with community members and organizations, customers and other stakeholders in the areas in which NYPA and Canals operate

**ACCESS & AFFORDABILITY**
Affordability and accessibility of services across customer types in the communities in which NYPA operates

**ECONOMIC DEVELOPMENT**
Creation of more resilient communities and promotion of economic growth and local employment

## G: GOVERNANCE

**ENTERPRISE RISK & RESILIENCE**
The identification, assessment, mitigation, monitoring and reporting of risks and impacts related to NYPA and Canals’ activities, and the incorporation of risk management strategies to enhance enterprise resilience, including plans for emergencies and disasters, into both longterm planning and day-to-day operations

**REGULATORY MANAGEMENT & COMPLIANCE**
Management and compliance with relevant federal, New York State and local environmental and socioeconomic laws and regulations

**CYBER & PHYSICAL SECURITY**
Security of NYPA and Canals’ network and infrastructure, as well as properties and personnel, including data protection and data breach risk minimization

**SUPPLY CHAIN & PROCUREMENT PRACTICES**
Sourcing practices for goods and services and the environmental and social impacts of NYPA and Canals’ supply chain
Internal Audit Department provides independent audit and advisory services, including review of ESG and climate-related policies, programs and reporting.

Sustainability Department leads implementation of the ESG foundational pillar. Provides oversight and reporting for ESG issues, including climate change. Gives regular updates to the board Finance & Risk Committee and the EMC. Convenes the Sustainability Advisory Council and collaborates across business units on ESG planning and reporting.

Sustainability Advisory Council (SAC) serves as the cross-functional body to manage ESG and climate-related efforts and ensure successful implementation of the goals, strategies and initiatives outlined in the Sustainability Plan 2021-25. The SAC consists of heads of all relevant departments.

Executive Risk and Resilience Management Committee provides risk management oversight and monitors risk management programs and processes, including ESG and climate-related risks.

Key Internal Stakeholders and Subject Matter Experts provide input to ESG and climate-related activities to ensure relevance and applicability to NYPA business operations.
VISION2030, our ten-year plan, has identified strategic priorities to help New York achieve its ambitious climate change goals—preserve and enhance hydropower, decarbonize natural gas plants, expand transmission to interconnect renewables, and partner with our customers to help them achieve their carbon reduction goals. Our Sustainability Plan supports VISION2030 and identifies additional ways NYPA can reduce its carbon footprint and protect against the impacts of climate change.
NYPA is committed to helping achieve the state’s climate and clean energy goals set forth in the Climate Leadership and Community Protection Act (CLCPA). We are actively mitigating and adapting to the impacts of climate change to ensure our assets and operations do not contribute to future climate impacts and continue to supply affordable clean power across New York. Strategies include:

• Expanding our transmission asset base for greater integration of renewable energy
• Investing in modernization of our hydroelectric power projects to generate clean reliable power
• Exploring alternative technologies to decarbonize our natural gas assets
• Increasing the efficiency and electrification of our buildings and vehicle fleet
• Assessing the physical impacts of climate change and developing adaptation strategies
• Prioritizing natural carbon sequestration on the lands we own and manage

These strategies will increase the reliability of our operations and help us prepare for a more distributed and uncertain operating environment. To reinforce these efforts and ensure we can anticipate, respond to and recover from unforeseen natural and manmade events, we are embedding ESG risks and resilience strategies in our business processes and culture.
TRANSMISSION TAKES CENTER STAGE WITH GENERATION

NYPA is committed to helping the state achieve the climate and clean energy goals set forth in the Climate Leadership and Community Protection Act (CLCPA) and to transforming New York State’s energy infrastructure to a cleaner, more reliable, resilient system.

TRANSMISSION FOR DELIVERING RENEWABLES

NYPA aims to invest $200-$400 million annually to expand its transmission system by 2030. The transmission expansion will provide greater access to affordable, clean electricity, and help curb fossil fuel use and reduce greenhouse gas (GHG) emissions.

For the project, NYPA, in partnership with National Grid, is rebuilding 110 miles of transmission lines and upgrading substations in the North Country and Mohawk Valley to increase reliable movement of NYPA’s clean hydropower and other renewables to high load areas. The project is in two separate segments as it “connects” to the top and bottom of NYPA’s Smart Path Moses-Adirondack line, another NYPA transmission rebuilding project. Together, Smart Path Connect and Smart Path create a continuous upgraded transmission line from the North Country into Central New York.

In 2021, Smart Path reached the one-third completion mark and is scheduled to go into service in 2023, increasing NYPA’s transmission capacity by 1,000 megawatts (MW) and allowing access to more clean electricity.

In Central New York, another project designed to move renewables to where the need is—Central Energy East Connect (CEEC)—also saw progress in 2021. This $854M project, with LS Power, began construction in 2021.

NYPA ensures transmission and generation maximize their roles and work together to fight climate change.

2030 CLCPA GOALS

<table>
<thead>
<tr>
<th>Goal Description</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction in GHG Emissions by 2050</td>
<td>85%</td>
</tr>
<tr>
<td>Carbon-free Electricity by 2040</td>
<td>100%</td>
</tr>
<tr>
<td>Renewable Energy by 2030</td>
<td>70%</td>
</tr>
<tr>
<td>Offshore Wind by 2035</td>
<td>9,000 MW</td>
</tr>
<tr>
<td>Energy Storage by 2030</td>
<td>3,000 MW</td>
</tr>
<tr>
<td>Solar by 2025</td>
<td>6,000 MW</td>
</tr>
<tr>
<td>Tons of Carbon Reduction through Energy Efficiency and Electrification</td>
<td>22 Million</td>
</tr>
</tbody>
</table>
GENERATION FOR FUTURE GENERATIONS OF NEW YORKERS

In 2021, 88 percent of NYPA’s generation was from its hydropower facilities. NYPA's hydropower provides a carbon-free baseload supply that is a critical resource in New York State’s carbon transition. Our extensive Life Extension and Modernization Programs are ensuring the continued efficient, reliable operation of our hydropower facilities well into the future.

The $11 billion Next Generation Niagara program at the Niagara Power Project is the largest infrastructure program ever undertaken by NYPA. It is aligned with our asset management strategy to optimize performance, significantly extend operating life and improve resilience.

Digitalization, the use of the latest in digital technology to enhance monitoring, control and flexibility of our assets, is a foundational pillar of our strategy and one of the top priorities of Next Generation Niagara and the ongoing modernization project at our Lewiston Pump-Generating Plant (LPGP).

Climate Week in September 2021 marked the completed digitalization of the first of 13 turbines at Niagara’s Robert Moses Niagara Plant and the completion of the $460 million modernization project at LPGP. These projects involved the overhaul of plant controls and aging mechanical systems, and deployment of sensors which transmit data to NYPA’s monitoring and diagnostic center, known as the iSOC (Integrated Smart Operations Center), allowing remote monitoring and predictive analytics.

With a rated capacity of 2,675 MW, the Niagara Power Project is the largest producer of clean electricity in the state. By extending the life of our hydroelectric assets, infrastructure programs like Next Generation Niagara and others at our facilities statewide will make it possible for NYPA’s generation to continue to support our customers and the creation and retention of jobs in New York State for decades to come.

2 According to NY ISO’s 2021 Load and Capacity Report
DECARBONIZING OUR NATURAL GAS PLANTS

We are actively seeking ways to reduce greenhouse gas emissions from natural gas plants that are part of our generation portfolio. In 2021, NYPA began to assess the feasibility of replacing or augmenting our in-city Small Clean Power Plants (SCPPs) with battery storage. The assessment culminated in a study, produced in partnership with a coalition of Environmental Justice groups, which was published in tandem with a Request for Proposals for the potential use of the sites for bulk-scale battery storage. Proposals will be evaluated in 2022.

In another project at the SCPP in Brentwood, we built out the infrastructure for a demonstration project that tested the use of fuel mixtures of up to 35 percent green hydrogen. This is the first project in the U.S. where hydrogen is being blended directly at the gas turbine to this level. Field testing began in 2021 and results will be published in the fall of 2022.

In 2021, NYPA also piloted the use of Responsibly Sourced Gas (RSG), natural gas sourced from certified suppliers who utilize the highest standards for production and transport to minimize leakage of methane emissions and other environmental and community impacts. RSG typically has a significantly lower methane leakage rate than gas that is not certified. Methane is a potent greenhouse gas with more than 25 times the global warming potential of CO₂ over a 100-year period.

ENERGY STORAGE

NYPA has committed to enabling 450 MW of energy storage by 2030, which includes 300 MW of utility scale projects and 150 MW of projects at customer sites. In 2021, work progressed on two utility-scale projects at NYPA facilities. They are the North Country Energy Storage Project, a 20MW installation adjacent to a NYPA substation in Franklin County, and a 100MW project at our Eugene W. Zeitmann Power Project in Astoria. These projects will store energy during off-peak times and discharge during peak periods, helping to improve grid reliability and reduce carbon emissions and transmission congestion.
OUR BUILDINGS

In fall 2021, NYPA began work on an enterprise-wide Clean Energy Master Plan which will identify opportunities to increase the energy efficiency and electrification of our buildings and expand installation of on-site renewables. The plan will ensure we achieve the NYPA BuildSmart 2025 energy use reduction target of 0.12 trillion British thermal units (TBtu) by 2025 (FY2014-2015 baseline). Well on our way to achieving this goal, as of the end of 2021 NYPA had reached 0.057 TBtu in energy savings for projects at a minimum of 30 percent design. The statewide BuildSmart 2025 program has set an energy reduction target of 11 TBtu for all state buildings and facilities by 2025. The state program, which is administered by NYPA, is also almost at the midway mark.

NEW NYPA BUILDSMART PROJECTS IN 2021

> Installation began on a 175 kilowatt (kW) solar array on the roof of our Zeltmann turbine building

> Design was completed for the first three of six new chillers at our Niagara project

> Design began for an HVAC system upgrade at the Blenheim-Gilboa administrative building

NY Energy Manager, a NYPA office at SUNY Albany, monitors energy use data at participating BuildSmart 2025 customers and others to improve building energy performance, reduce environmental impact and manage energy costs.
OUR VEHICLES
Towards the end of 2021, we launched an electric vehicle (EV) infrastructure assessment to ensure the necessary charging infrastructure is in place to support our ambitious fleet electrification goals. The assessment will determine infrastructure requirements to electrify the light-duty fleet and expand our employee Workplace Charging Program and visitor EV charging through 2030. To date, more than 200 charging stations have been installed at NYPA facilities for fleet, employee and public use.

ENVIRONMENTAL STEWARDSHIP
NYPA takes a holistic and cross-functional approach to environmental stewardship that surpasses federal and state regulatory and policy requirements. We are committed to conserving and protecting the natural resources that our operations and neighboring communities depend on. We implement projects to reduce the environmental impacts of our air emissions, waste generation, water and land use.

Key 2021 initiatives include a potable water leakage prevention project at the Niagara facility, our Water Resiliency Roadmap and a strategic land management assessment to identify opportunities across NYPA land to increase ecosystem health, climate resilience and natural carbon storage.

We also continued to implement habitat restoration projects that enhance the health and biodiversity of specific areas. We maintain more than 3,850 acres of restored wildlife habitat as part of our commitment with state and federal agencies. NYPA has been an accredited Right-of-Way Steward Utility for eight years – recognition of our continued application of best practices in Integrated Vegetation Management. In 2021, we developed a pollinator score card, which describes the pollinator habitat on the rights-of-way we manage. NYPA uses several internal and external mechanisms to evaluate the effectiveness of our programs, including EPRI Benchmarking, internal auditing and third-party verification.

BULL’S EYE GOAL
NYPA targets to electrify 50% of its light-duty fleet by 2025 & 100% by 2030.
MANAGING CLIMATE-RELATED RISKS & OPPORTUNITIES

We intend to apply the guidance of the Task Force on Climate-Related Financial Disclosures (TCFD) to our climate strategy and activities and to communicating the most relevant information to our stakeholders. Reporting is a journey for NYPA, and we continue to work towards full TCFD disclosure. The foundational disclosures in this report describe our approach to climate-related issues, our ongoing climate impact evaluation efforts and climate-related plans.

OUR CLIMATE STRATEGY & GOVERNANCE

To NYPA, delivering a best-in-class sustainability strategy includes conducting a materiality assessment, identifying material ESG issues, and establishing goals and strategies to address the material issues. Our 2020 materiality assessment identified climate change as the issue of highest priority for NYPA.

Climate change is at the center of both VISION2030 and our Sustainability Plan 2021-25. These were developed in alignment with the cross-sector decarbonization pathways outlined in the Inter-governmental Panel on Climate Change’s (IPCC) Special Report on Global Warming of 1.5 °C, the Climate Leadership and Community Protection Act (CLCPA) and New York State’s other ambitious clean energy initiatives. Our target of achieving decarbonization of generated electricity by 2035 is five years ahead of the CLCPA goal of 100 percent net-zero by 2040.

It is our responsibility—within New York State, our industry and the global sustainability community—to manage our ESG impacts. Through implementation of VISION2030 and our Sustainability Plan, we strive to continue to provide clean, reliable energy for our customers as the risks and opportunities associated with climate change continue to escalate and evolve.

VISION2030 highlights opportunities for NYPA in transmission, renewable energy and energy services that can help the state and our customers meet ambitious sustainability goals. Climate change also presents physical, operational, environmental, regulatory and financial risks. NYPA’s governance approach includes oversight and management of climate-related strategies and programs at all levels of the organization and ensures relevant climate-related risks are escalated as appropriate.

Our Risk team maintains a Risk Register and an Enterprise Governance, Risk and Compliance (EGRC) system that serves as the repository for enterprise, operational and project risks and includes risk mitigation plans, internal controls, and metrics. In 2021, an ESG enterprise risk category was created that identifies the Authority’s risk appetite around ESG risks and maps to six other risks: Climate Change Adaptation, Community Relations, Diversity, Equity & Inclusion, Environmental Incident Risk, Governance Risk, and Sustainability Risk, increasing visibility into our aggregated risk profile and ensuring alignment with NYPA’s risk appetite.

NYPA’s enterprise risk and resilience efforts are guided by the principles of ISO-31000 Risk Management and COSO-Enterprise Risk Management and support risk-informed decision-making across the organization. Risks are identified and managed at the Business Unit level and addressed at Executive Risk & Resilience Management Committee and Finance & Risk Committee meetings.

MEASURING OUR PERFORMANCE

Measuring our impact is key to mitigating risks and improving performance. NYPA tracks and reports on several climate-related metrics and targets identified in VISION2030 and the Sustainability Plan. We also disclose climate-related data to The Climate Registry (TCR), including Scope 1 greenhouse gas emissions from stationary combustion of fuels (power plants, significant building heating systems), vehicle fleet, corporate plane, and sulfur hexafluoride (SF₆) losses.

4 This section aligns with TCFD. For additional information on our approach to integrating climate-related financial opportunities and risks, see pages 8, 17, and 41.
grid load-flow analysis to evaluate system-level impacts, disruptions and cascading failures. The findings from this study will help identify and prioritize climate adaptation and mitigation opportunities across our infrastructure and operations. Our climate resilience strategy will include asset management planning, engineering design and project development procedures. Beyond internal operations, we will also use the climate projection data to better support the climate realities of our customers and local communities.

SCOPe 1 EMISSIONS

2018 1,425,325.4 MT CO$_2$e
2019 1,369,772.3 MT CO$_2$e
2020* 1,539,119 MT CO$_2$e
2021* 1,410,674 MT CO$_2$e

MANAGING THE PHYSICAL IMPACTS OF CLIMATE CHANGE—NYPA’S CLIMATE VULNERABILITY ASSESSMENT

Understanding the threat posed by climate change to NYPA’s infrastructure is the first step to developing a climate resilience plan. In 2021, we initiated a climate vulnerability assessment with the US Department of Energy Argonne National Laboratory, scheduled for completion late 2022. This study assesses how our ability to generate and transmit electricity may be affected by climate change. We are looking at different Representative Concentration Pathways (RCP 4.5 and RCP 8.5) that correspond with the target set in the Paris Accord (+1.5-2.5 °C in 2100) and with business as usual (+4.5 °C in 2100), and the impact that these two scenarios would have on our assets and operations at mid-century. Using state-of-the-art climate and infrastructure system modeling techniques, we will be able to develop high-resolution climate projections for our service territory that will then be used for transmission grid load-flow analysis to evaluate system-level impacts, disruptions and cascading failures.

The findings from this study will help identify and prioritize climate adaptation and mitigation opportunities across our infrastructure and operations. Our climate resilience strategy will include asset management planning, engineering design and project development procedures. Beyond internal operations, we will also use the climate projection data to better support the climate realities of our customers and local communities.

CLIMATE RESILIENCE AT CANALS

Climate change poses a risk to Canals due to the impact of more frequent extreme weather events on aging infrastructure. We are improving our understanding of this risk and reducing it through our growing asset management, inspection and dam safety programs. In 2021, Canals formalized a new dam safety program, continued to develop a formal asset management program, conducted 317 formal structural inspections of various assets by licensed engineering professionals, and continued to explore collaborative partnerships.

NYPA’s Reimagine the Canals campaign is focused on building resilient communities and infrastructure, and is helping to reduce flooding in various ways. Our ice jam mitigation project conducted two successful ice breaking pilot tests in 2021, partially mitigating significant ice formations and reducing the risk of flooding in the city of Schenectady, NY.

5 CLCPA requires that New York State reduce GHG emissions by 85% from 1990 levels and offset remaining emissions by reforestation, carbon sequestration in soils and other actions.
6 Includes CO$_2$, CH$_4$, N$_2$O, SF$_6$; emissions vary year over year due to changes in generation, fuel mix and directives from the grid operator.
7 2020 and 2021 emissions data were pending verification from The Climate Registry at the time of this report’s publication.
In 2021, NYPA celebrated the 90th anniversary of the Power Authority Act, signed by Gov. Franklin D. Roosevelt with the purpose of providing reliable, affordable electricity to the people of New York State. NYPA’s reliable, affordable and clean electricity and energy services support our customers, and we strive to manage our operations so that local communities also benefit. As an organization which became a NYPA subsidiary in 2017 and will mark its 200th anniversary in 2025, Canals joins NYPA in supporting our communities through customer and supplier partnerships and community engagement programs.
NYPA provides low-cost, clean, reliable power to government customers, municipal and rural cooperatives and eligible commercial, industrial and nonprofit customers across New York.

NYPA and Canals place special importance on our relationship with and responsibility to our customers, the communities surrounding our facilities and the larger state community.

We are assisting customers in achieving their sustainability goals through a variety of clean energy programs. These include energy efficiency and electrification projects, electric vehicle charging infrastructure, and solar and energy storage.

In 2021, NYPA entered into an agreement with the New York State Energy Research and Development Authority (NYSERDA), enabling NYPA to begin purchasing Tier 1 Renewable Energy Credits (RECs) for interested customers starting in 2025. Adding renewable energy to their supply mix is a cost effective way for customers to achieve carbon reductions.

We are also spurring economic growth and bolstering community livelihoods across the state through our economic development programs. Our low-cost hydropower has supported the creation and retention of more than 400,000 jobs, including almost 1,500 green jobs, with 850+ newly committed green jobs in 2021.

NYPA and Canals engage with local communities in a variety of ways to garner support for our initiatives and ensure we are aligned with their needs. Activities include meetings with elected officials, community events at our visitors centers, outdoor recreation activities along the canals, and training programs for future leaders in science, technology, engineering and mathematics (STEM).

Our community network of 6,000 suppliers is essential for effective NYPA and Canals operations and maintenance, delivery of capital projects and implementation of our strategic vision. A significant portion of our annual spending is with local suppliers, helping to boost local economies across the state. We manage our supply chain through a rigorous procurement process and adhere to federal and state procurement guidelines. NYPA onboards and monitors approximately 900 new suppliers annually.

KEY MATERIAL ESG ISSUES HIGHLIGHTED

S Economic Development
S Access & Affordability
E Renewable Energy & Energy Storage
G Cyber & Physical Security
S Community Engagement
G Supply Chain & Procurement Practices
WORKING WITH OUR CUSTOMERS TOWARD THEIR SUSTAINABILITY GOALS

We are helping customers achieve their sustainability goals through a range of clean technology programs, including electric vehicle charging, LED street lighting, solar and energy storage.

TRANSPORTATION & GHG REDUCTIONS

Along with buildings and electricity generation, transportation is one of the largest sources of GHG emissions in New York State. NYPA has launched various initiatives with customers and stakeholders to reduce statewide emissions from transportation.

TRANSIT ELECTRIFICATION

In 2021, NYPA helped three of our customers start electrifying their bus fleets by supporting the installation of new charging infrastructure. Westchester County debuted six electric buses, and we installed new chargers at the bus depot. This is part of the county’s effort to reach a 25 percent electric transit goal by 2025 and 100 percent by 2035. With the Metropolitan Transit Authority (MTA), we are implementing a $39 million project to install 66 overhead chargers, supporting their goal of purchasing only electric buses starting in 2028 and having an all-electric bus fleet by 2040. We also assisted the Niagara Frontier Transportation Authority (NFTA) with design and construction of an $8 million upgrade to their bus depot to prepare for the arrival of their first 20 electric buses in 2022.

The impact of these projects is significant. Compared to a traditional diesel bus, each electric bus will save approximately 5,000 gallons of fuel per year and avoid 53,000 lbs

---

8 According to the New York Department of Environmental Conservation (NYDEC), in 2019 28% of greenhouse gas emissions (CO₂, CH₄, N₂O) came from transportation, 32% from buildings, and 13% from electricity. [https://www.dec.ny.gov/energy/99223.html#Report]
CO₂e emissions when accounting for electricity usage.⁹ The projects will not only reduce pollution in customer communities but will help pave the way for economic growth and job creation in evolving green industries.

**EVOLVE NY**

NYPA’s EVolve NY program is part of the state’s plan to become a leader in electric vehicles. The program expands access to Direct Current Fast Charging (DCFC) stations, offers resources to educate consumers about electric vehicle benefits, and promotes incentives for EV adoption. In 2021, fast charge hubs were added around the state, including locations in Amsterdam, Saratoga Springs and Fairport, and an additional ten chargers were added at the John F. Kennedy International Airport hub. Hubs were also installed at five Stewart’s Shops, and three at Mirabito gas stations in Syracuse and Oneonta.

Most of these chargers are rated at 150 kilowatt (kW) or above to provide the truly high-speed charging used by EVs entering the market. Improving access to fast charge stations statewide encourages greater EV adoption in more communities and expands travel opportunities for current EV owners.

**SIDE BY SIDE SUPPORTING SOLAR**

NYPA is advising customers across the state on the development of customer-sited solar projects.

We are serving as the trusted energy advisor for our customer, the City of White Plains, as the city implements its Community Solar Portfolio. This work was highlighted in 2021 with the launch of nine projects that will triple the amount of solar produced in Westchester County. The system will enable White Plains institutions and residents to reduce their energy costs and carbon footprint. The city anticipates collecting about $20M in rent from hosting these solar installations on top of its municipal facilities.

---

⁹ Calculation based on: 20,000 miles per year per bus, 347 g CO₂e per mile, 2.02 kWh/mile efficiency, 105.9 g CO₂e/kWh and 40,400 annual kWh per bus. The average grid mix for upstate New York – generation sources that contribute to electricity in the region – is used for the comparative emissions (https://www.epa.gov/egrid/power-profile/#NYUP).

---

Left: Solar panels on rooftop of City of White Plains sanitation garage.

Right: Senior Director John Markowitz demonstrates an EVolve NY electric vehicle charger.
ACCESS AND AFFORDABILITY

We are dedicated to working with our customers to ensure that clean, affordable energy is accessible to low- and middle-income communities throughout the state and to facilitating economic development in underserved, disadvantaged and rural areas.

Our customers are facing various economic challenges such as cost of capital (interest rates), raw material inventory shortages caused by supply chain disruption, scarcity of labor supply and associated wage pressures. Despite increased market variability, NYPA continues to offer long-term contracts and tailored rate structures to provide customers with continuity in budget predictability. See more information here.

We manage our rates through programs such as ReChargeNY, WNY Hydropower and Preservation Power. These programs retain customers and attract new companies to the state.

As added value for our municipal system and rural coop customers in 2021, we launched the Cyber Collective Defense Consortium to enhance their security and the state grid.

2021 ECONOMIC DEVELOPMENT
BY THE NUMBERS

1,725MW Allocated
$22.7B Capital Investments Committed
426,505 Jobs Created/Retained
NYPA and Canals are driven by our commitment to being good neighbors, especially in historically disadvantaged and marginalized communities.

**HELPING OUR NEIGHBORS WITH ENERGY EFFICIENCY**

According to the U.S. Department of Energy, low-income households spend about nine percent of their budget on energy—three times more than middle- or higher-income families. NYPA’s Environmental Justice (EJ) programs alleviate some of this burden by helping to reduce energy consumption, which also contributes to cleaner air.

- In 2021, NYPA completed an energy efficient lighting project for 1,100 residents at the Niagara Falls Housing Authority. The project installed nearly 1,000 LED lighting fixtures at four facilities and included an energy audit that identified additional energy savings opportunities.

- Eleven Adult Energy Literacy and Weatherization Workshops were held in 2021. The workshops teach low-income homeowners and renters simple and no-cost ways to conserve energy and lower utility bills—without compromising comfort or safety.

**REIMAGINE THE CANALS**

Reimagine the Canals, the $300 million flagship New York State initiative administered by NYPA and Canals, is aimed at revitalizing and repurposing the state’s historic Canal System, including the waterways, infrastructure, trails, buildings and ecosystems. NYPA’s work to transform the canal system into a viable ecotourism destination and community resource is having positive socio-economic impacts along the canal corridor.

Reimagine launched its pilot Green Boats Program in 2021 to improve the experience of the thousands of tourists that travel along the canals each year and lower noise and emissions for canal side communities. The program incentivizes the conversion of fossil fuel-powered charter, tour and rental boats to electric propulsion. Our pilot project with Erie Canal Adventures converted one of their 42-foot charter boats from diesel to electric.

---

On the Canals (launched in 2020, as NY Canal Staycations) promotes Canal waterways and trails as attractive destinations by offering free recreational programs to the public. The 2021 On the Canals program engaged almost 4,500 participants in multiple activities including kayaking, cycling, birding, fishing, hydro-biking and boat tours.

NY ENERGY ZONE BEGINS A POWERFUL JOURNEY

In May 2021, NYPA opened the John S. Dyson New York Energy Zone in Utica. The NY Energy Zone is the fourth and newest addition to our network of admission-free visitors centers. It serves, like all our visitors centers, as a tourist hub, a resource for local residents and schools, and an event space. The Energy Zone’s educational and engaging exhibits focus on the past, present and future of energy in New York State, and includes a state-of-the-art 3D movie theatre. NYPA is exploring partnerships and opportunities with local science and academic institutions to make the Energy Zone a major STEM resource in the Mohawk Valley.

KEY 2021 COMMUNITY ENGAGEMENT BY THE NUMBERS

52,235 people visited our four visitors centers across the state
5,053 students attended 269 visitors center tours
21,600 guests attended 27 community events
710 meetings were held with elected officials and stakeholders
ENVIRONMENTAL AND SOCIAL RESPONSIBILITY IN OUR SUPPLIER NETWORK

Managing the environmental and social impacts of our supply chain is a priority for NYPA, and we are striving to work with suppliers that align with our ESG values.

We are integrating sustainability into our supply chain by embedding sustainability criteria in procurement processes, strengthening our relationships with our suppliers, and monitoring and mitigating environmental and social risks. Environmental and social risks of existing and potential suppliers are tracked through our digital Supplier Risk platform and included in the bid evaluation process. To increase transparency, our annual supplier sustainability assessment is distributed to the suppliers that conduct the most business with NYPA, including all strategic suppliers, as measured by spending.

In 2021, as a step towards further integration of ESG, NYPA formalized a process requiring Request for Proposal (RFP) respondents to detail their sustainability governance and management processes in relevant proposals.

DIVERSE SUPPLIERS

Established to provide meaningful contracting opportunities to diverse suppliers, Supplier Diversity at the Authority predates New York State’s adoption of Executive Law Article 15-A and 17-B. Supplier Diversity has since been revised to incorporate regulations for utilizing Minority and Women-Owned Enterprises (MWBE) and Service-Disabled Veteran Owned Businesses (SDVOBs), as applicable, in NYPA and Canals’ procurement.

We are invested in working with New York State suppliers and ensuring diversity across our supply chain. To build capacity and access to diverse firms, we hosted 10 workshops for diverse suppliers in 2021 – all virtually. In a profile in Diversity Professional, one NYPA supplier credited NYPA’s Supplier Diversity with teaching them the importance of partnerships and relationship building for the success of their business.

NYPA advertises procurements statewide to ensure New York-based diverse suppliers have access to bidding opportunities. In addition, NYPA utilizes New York State’s discretionary spending guidelines, when applicable, to engage locally based and diverse suppliers and promote economic inclusion. In 2021, NYPA’s spending exceeded $87 million with MWBE certified firms, over $3 million with SDVOBs, and $19 million with NYS small business enterprises.

PROPORTION OF 2021 SPENDING ON LOCAL (NYS) SUPPLIERS*

56% NYPA
94% Canals

* As percentage of total procurement budget
OUR PEOPLE

At NYPA and Canals, our employees are our greatest asset. A diverse, equitable and inclusive corporate culture is ingrained in our core values and foundational to VISION2030.

OUR VALUES

We work for the greater good and a stronger, sustainable New York State

We hold ourselves to the highest standards of integrity, safety and excellence

We are resilient and use our ingenuity to make big things happen

We draw strength from our diversity—everyone contributes, everyone belongs

We work as one team, putting our trust and confidence in each other
OUR PEOPLE

KEY MATERIAL ESG ISSUES HIGHLIGHTED

S Employee Development
G Regulatory Management & Compliance
S Diversity, Equity & Inclusion
S Health & Safety

NYPA and Canal’s commitment to our people is illustrated in our approach to Employee Development, Diversity, Equity & Inclusion, and Health & Safety. We offer a broad range of programs across these areas that include professional training and educational opportunities, performance management, and internal employee resource groups, which are all helping to make NYPA a more inclusive and resilient organization.

Employee Development is managed by Human Resources. A holistic and comprehensive curriculum provides employees with targeted skills training. Leveraging employee surveys and other forms of feedback to improve effectiveness, programs are continually adapted to provide the most relevant development experiences. Employee performance is addressed in meetings, reviews and development plans. The investment we make in our employees, their technical knowledge and management expertise, is retained by the organization through our Knowledge Transfer Program.

The resilience of our workforce is grounded in mental well-being programs and our award-winning workplace health and safety culture. NYPA and Canal’s Health & Safety Program is managed by regional Environment Health & Safety (EH&S) staff, with our corporate EH&S department supporting the site programs. To keep our Health & Safety Program running strong, we conduct Internal Audits in addition to third-party EH&S audits every three years. In 2021, these audits were expanded to include contractors working on NYPA projects.

NYPA and Canals training programs range from compliance-based training to skill development and management courses. NYPA tracks mandatory employee training and required reporting to ensure we are operating with a well-trained workforce within regulatory guidelines. Our electronic inventory tool enables the Office of Ethics & Compliance to ensure we maintain compliance by assigning ownership to each of the approximately 300 training/reporting profiles.
Employees participated in interactive discussions and learned from leading climate science experts. The program engaged all NYPA and Canals’ 2,500-plus employees with online training and delivered more than 400 live classes. SustainAble U was developed in partnership with a team of subject-matter experts from Cornell University, Clarkson University and the SUNY College of Environmental Science & Forestry, who provided extensive expertise and access to valuable resources.

Ensuring our employees understand and embrace our strategic vision is key to our success. We are investing in education to increase sustainability and climate literacy across the organization.

**SUSTAINABLE U: LET’S GET CLIMATE SMART!**

In 2021, NYPA and Canals embarked on a multi-phase comprehensive climate science educational program, called SustainAble U: Let’s Get Climate Smart!. It underscores climate as a top priority at NYPA and Canals.

**GOALS**

- Strengthen climate literacy
- Introduce a systems-thinking “sustainability mindset” to better understand and address climate change
- Reinforce efforts to address climate change through VISION2030 and the Sustainability Plan 2021-2025
- Highlight our leading role in achieving the goals of the CLCPA
The five-unit curriculum covered the basics of earth systems and climate science, causes of modern climate change, science-based solutions for climate mitigation and adaptation, and NYPA’s climate strategies which are embedded in VISION2030 and our Sustainability Plan. The program began with an introductory unit titled COVID, Climate and Equity: Adopting a Sustainability Mindset that explored the intersection of climate change, the pandemic and the social justice crisis through systems thinking.

**BARD MBA IN SUSTAINABILITY**

NYPA has developed a partnership with Bard College in the Sustainability MBA Program. Ten NYPA employees graduated with a Bard College MBA in Sustainability in June 2021, and a second cohort of 13 employees started in September. This comprehensive program explores all aspects of business leadership through the lens of sustainability and empowers graduates to find innovative solutions to sustainability challenges within their work at NYPA.

**TRAINING TO LEAD**

We encourage NYPA and Canals employees to take courses in new skills that can improve the way we work. In 2021, we certified approximately 500 employees in Six Sigma, Lean Foundations, Project Management and Agile best practices. On average in 2021, NYPA employees participated in 50 training hours and Canals employees undertook 30.5 hours.

**MANAGEMENT & LEADERSHIP DEVELOPMENT PROGRAMS**

- **DRIVE Blue** for managers as team builders
- **LEAD Blue** for leadership development and adaptability
- **Six Sigma**
- **Lean Foundations**
- **Project Management & Agile Training**
In 2020, we reviewed our existing efforts and formalized our commitment to our people and the community in the holistic Ten-Point Diversity, Equity and Inclusion (DEI) Plan. In 2021, NYPA released BETTER TOGETHER: A JOURNEY OF DIVERSITY, EQUITY & INCLUSION and identified key performance indicators to track and measure progress against our DEI commitments.

A PATH FOR EMPLOYEES

NYPA and Canals are committed to making our workplace culture inclusive, leading the state in diversifying the labor force, and advancing DEI in the utility industry. NYPA’s Office of Civil Rights and Inclusion, working with our Environmental Justice department and Supplier Diversity group, uses a dedicated budget and various inputs, including external benchmarking, internal surveys, workforce data analysis, employee complaints and exit interviews, to advance the DEI strategy.

In 2020, we reviewed our existing efforts and formalized our commitment to our people and the community in the holistic Ten-Point Diversity, Equity and Inclusion (DEI) Plan. In 2021, NYPA released BETTER TOGETHER: A JOURNEY OF DIVERSITY, EQUITY & INCLUSION and identified key performance indicators to track and measure progress against our DEI commitments.

A PATH FOR EMPLOYEES

NYPA and Canals professional and career development programs support the future success of employees from historically underrepresented groups. Our DEI programs embrace Black, Hispanic-Latino and Asian employees on all levels and enable them to make meaningful contributions while improving their experiences in the organization.
In 2021 we introduced four new programs:

• Pathways, a six-month cohort program, guides participants as they explore topics tailored to the unique needs of employees in historically underrepresented groups. The program includes cohort learning, skill application, peer coaching and mentoring. To increase access, interested employees self-nominate, bypassing management approval. There were 17 participants in 2021.

• The Executive Leadership Program gives executives within two levels of the C-suite access to expert facilitated virtual workshops and fireside chats with notable leaders.

• Management Accelerator instructs early to mid-career leaders with digital modules and virtual webinars that explore leadership mindset topics and practical tools to address common behavior patterns.

• DECIDE provides training to managers to help them identify and avoid unintended bias in decision-making and become more effective and confident team leaders.
Understanding the need to attract top talent and diversify the pool of future clean energy workers, NYPA partnered with the nationally recognized program Pathways in Technology Early College High School (P-TECH) which provides STEM career awareness and preparation to historically disadvantaged and marginalized students.

In 2021, NYPA and P-TECH initiated a six-week paid summer internship program for 14 high school students from underserved communities in New York City, the Mohawk Valley and Western New York—regions with key NYPA facilities. P-TECH students completed customer energy audits, solar feasibility assessments and NYPA fleet electrification research.

Other programs run by our EJ team are also helping to create pathways for STEM training and workforce development. In 2021, a comprehensive energy curriculum toolbox for educators was added to our webpage and 20,000 NYC students used NYPA’s Green Classrooms Hydroponic Labs.

By helping to develop local talent in the communities we serve, NYPA and Canals are working to establish a robust workforce pipeline. Our programs not only advance our DEI pillar but provide students with opportunities to develop new skills and gain valuable experience.
Beyond physical health, mental well-being is also a priority at NYPA. Under the Be Mindful Initiative, in 2021 NYPA and Canals employees were offered free access to a user-friendly mindfulness and guided meditation app. An Adaptive Personal Resilience workshop, promoting compassion and teamwork, was also offered to employees.

Since 1994, NYPA has been ranked by the APPA among the top three utilities in its class.

As COVID-19 continued through 2021, NYPA and Canals adapted and refined our response to the pandemic and sought creative ways to help mitigate its impact. New H&S policies were added, including COVID-19 Pandemic De-escalation and a Covid Vaccine and Testing Mandate. COVID-related resources, including our COVID Document Library, increased substantially in 2021, supporting greater procedural control, increased education and communication, more stringent safety procedures and real-time reporting.

In another important step taken to combat COVID-19, high-quality air filtration and purification units were installed in high occupancy areas at all our NYPA and Canal facilities. These units use high efficiency particulate air filters and high intensity UVC lighting to disinfect the air.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NYPA</strong> DART Rate</td>
<td>0.76</td>
<td>0.39</td>
<td>0.59</td>
</tr>
<tr>
<td><strong>Canal</strong> DART Rate</td>
<td>4.05</td>
<td>5.07</td>
<td>4.37</td>
</tr>
</tbody>
</table>

\(^{11}\) Including the Public Employee Safety & Health, Occupational Safety and Health Administration (OSHA), and Coast Guard

\(^{12}\) Including the National Institute for Occupational Safety & Health, National Fire Protection Association, and the Institute of Electrical and Electronics Engineers

Received American Public Power Association **National Safety Award of Excellence**.

NYPA was Awarded **WELL Health-Safety Rating** at 20 of our facilities.
Performance Data

GRI 2-7 - Employees¹
Head count of active employees as of December 31, 2021

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NYPA Employees (number)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent</td>
<td>473</td>
<td>1495</td>
<td>1968</td>
</tr>
<tr>
<td>Provisional</td>
<td>1</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Temporary</td>
<td>15</td>
<td>39</td>
<td>54</td>
</tr>
<tr>
<td>Full-time</td>
<td>482</td>
<td>1513</td>
<td>1995</td>
</tr>
<tr>
<td>Part-time</td>
<td>7</td>
<td>26</td>
<td>33</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>489</td>
<td>1539</td>
<td>2028</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Canals Employees (number)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent</td>
<td>66</td>
<td>352</td>
<td>418</td>
</tr>
<tr>
<td>Provisional</td>
<td>0</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Temporary</td>
<td>10</td>
<td>57</td>
<td>67</td>
</tr>
<tr>
<td>Full-time</td>
<td>76</td>
<td>415</td>
<td>491</td>
</tr>
<tr>
<td>Part-time</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>76</td>
<td>415</td>
<td>491</td>
</tr>
</tbody>
</table>

¹ In the Disclosures Index, “employees” refers to active permanent, provisional, and temporary employees, full-time and part-time, unless otherwise indicated.

GRI 405-1 - Diversity of Governance Bodies
Board of Trustees and EMC composition as of December 31, 2021

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NYPA &amp; Canals Governance Members (number)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under age 30</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Age 30-50</td>
<td>3</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Over age 50</td>
<td>3</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6</td>
<td>11</td>
<td>17</td>
</tr>
</tbody>
</table>

GRI 2-30 - Collective Bargaining Agreements
Employee composition as of December 31, 2021

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employees Covered by Collective Bargaining Agreements (%)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NYPA</td>
<td>19</td>
<td>32</td>
<td>29</td>
</tr>
<tr>
<td>Canals</td>
<td>80</td>
<td>93</td>
<td>91</td>
</tr>
</tbody>
</table>
## GRI 405-1 - Employee Diversity

*Employee composition as of December 31, 2021*

<table>
<thead>
<tr>
<th>Gender</th>
<th>Under age 30</th>
<th>Age 30-50</th>
<th>Over age 50</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### NYPA Employees (number)

<table>
<thead>
<tr>
<th>Ethnicity/Category</th>
<th>Under age 30</th>
<th>Age 30-50</th>
<th>Over age 50</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Indian or Alaskan Native (Not Hispanic or Latino)</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Asian (Not Hispanic or Latino)</td>
<td>3</td>
<td>40</td>
<td>15</td>
<td>58</td>
</tr>
<tr>
<td>Black or African American (Not Hispanic or Latino)</td>
<td>5</td>
<td>23</td>
<td>35</td>
<td>63</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td>7</td>
<td>20</td>
<td>10</td>
<td>37</td>
</tr>
<tr>
<td>Two or More Races (Not Hispanic or Latino)</td>
<td>4</td>
<td>1</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>White (Not Hispanic or Latino)</td>
<td>34</td>
<td>158</td>
<td>133</td>
<td>325</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>49</strong></td>
<td><strong>246</strong></td>
<td><strong>194</strong></td>
<td><strong>489</strong></td>
</tr>
</tbody>
</table>

### Canals Employees (number)

<table>
<thead>
<tr>
<th>Ethnicity/Category</th>
<th>Under age 30</th>
<th>Age 30-50</th>
<th>Over age 50</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black or African American (Not Hispanic or Latino)</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>White (Not Hispanic or Latino)</td>
<td>10</td>
<td>25</td>
<td>35</td>
<td>70</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10</strong></td>
<td><strong>27</strong></td>
<td><strong>39</strong></td>
<td><strong>76</strong></td>
</tr>
</tbody>
</table>
### NYPa Diversity Indicators

<table>
<thead>
<tr>
<th>Category</th>
<th>WPO/SENY Employees (%)</th>
<th>CNY/NNY/WNY Employees (%)</th>
<th>Total Employees (%)</th>
<th>Utility Benchmark (%)</th>
<th>NYS Population (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Race / Ethnicity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>American Indian or Alaskan Native (Not Hispanic or Latino)</td>
<td>0.0</td>
<td>100.0</td>
<td>0.6</td>
<td>0.0</td>
<td>0.2</td>
</tr>
<tr>
<td>Asian (Not Hispanic or Latino)</td>
<td>93.4</td>
<td>6.6</td>
<td>10.5</td>
<td>1.7</td>
<td>8.4</td>
</tr>
<tr>
<td>Black or African American (Not Hispanic or Latino)</td>
<td>76.8</td>
<td>23.2</td>
<td>6.2</td>
<td>7.5</td>
<td>13.7</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td>87.5</td>
<td>12.5</td>
<td>6.3</td>
<td>3.4</td>
<td>17.9</td>
</tr>
<tr>
<td>Two or More Races (Not Hispanic or Latino)</td>
<td>90.9</td>
<td>9.1</td>
<td>0.5</td>
<td>1.0</td>
<td>2.2</td>
</tr>
<tr>
<td>White (Not Hispanic or Latino)</td>
<td>37.9</td>
<td>62.1</td>
<td>75.8</td>
<td>84.7</td>
<td>57.7</td>
</tr>
<tr>
<td><strong>Total People of Color</strong></td>
<td><strong>85.0</strong></td>
<td><strong>14.9</strong></td>
<td><strong>24.2</strong></td>
<td><strong>22.2</strong></td>
<td><strong>42.2</strong></td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>66.6</td>
<td>33.4</td>
<td>24.2</td>
<td>24.6</td>
<td>48.4</td>
</tr>
<tr>
<td>Male</td>
<td>43.8</td>
<td>56.2</td>
<td>75.8</td>
<td>75.7</td>
<td>51.6</td>
</tr>
<tr>
<td><strong>DEI Performance Indicators</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Candidate Offers (%)</td>
<td>Female</td>
<td>Male</td>
<td>POC</td>
<td>White</td>
<td></td>
</tr>
<tr>
<td></td>
<td>34.3</td>
<td>65.7</td>
<td>38.5</td>
<td>61.5</td>
<td></td>
</tr>
<tr>
<td>Candidate Hires (%)</td>
<td>33.0</td>
<td>67.0</td>
<td>37.6</td>
<td>62.4</td>
<td></td>
</tr>
<tr>
<td>Staff on Mentorship (%)</td>
<td>52.9</td>
<td>47.1</td>
<td>100.0</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Representation in Succession Pipeline (%)</td>
<td>23.6</td>
<td>76.4</td>
<td>23.8</td>
<td>76.2</td>
<td></td>
</tr>
<tr>
<td>Rates of Voluntary Turnover (%)</td>
<td>44.0</td>
<td>56.0</td>
<td>44.0</td>
<td>56.0</td>
<td></td>
</tr>
<tr>
<td>Rates of Engagement (percentile score)</td>
<td>53.0</td>
<td>57.0</td>
<td>53.0</td>
<td>57.0</td>
<td></td>
</tr>
</tbody>
</table>

1. White Plains Office (WPO) is NYPA's administrative office, located in Westchester County; Southeastern New York (SENY) facilities include the small clean power plants and Zellmann Power Project; Central New York (CNY) facilities include the Albany office, Clark Energy Center, Blenheim-Gilboa Pumped Storage Hydro Project and small hydro facilities; Northern New York (NNY) facilities include St. Lawrence-FDR Power Project; Western New York (WNY) facilities include the Buffalo office and Niagara Power Project. Populations in the regions where WPO/SENY are located are more diverse than those in CNY/NNY/WNY. See the U.S. Census Bureau for detailed 2020 county maps.


3. NYS employable population is defined as 16 years and older. Source: EEO Tabulation 2014-2018 (5-Year American Community Survey Estimates) prepared by New York State Department of Labor, Division of Research and Statistics.

4. People of Color defined as self-identified for race/ethnicity for American Indian, Asian, Black or African American, Hispanic or Latino and Two or More Races.

5. Representation amongst employees that have been identified as successors.

6. Data come from survey issued every two years that measures level of engagement with organization and manager. Percentile score benchmarks NYPA's engagement against other organizations.
GRI 403-9 and SASB IF-EU-320a.1 - Work-Related Injuries

<table>
<thead>
<tr>
<th>Categories</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NYPA Health &amp; Safety Performance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee DART rate</td>
<td>0.76</td>
<td>0.39</td>
<td>0.59</td>
</tr>
<tr>
<td>Total employee recordable injury rate</td>
<td>1.22</td>
<td>0.49</td>
<td>1.28</td>
</tr>
<tr>
<td>Total employee fatality rate</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of near misses</td>
<td>439</td>
<td>466</td>
<td>517</td>
</tr>
<tr>
<td><strong>Canals Health &amp; Safety Performance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee DART Rate</td>
<td>4.05</td>
<td>5.07</td>
<td>4.37</td>
</tr>
<tr>
<td>Total employee recordable injury rate</td>
<td>5.40</td>
<td>6.19</td>
<td>5.58</td>
</tr>
<tr>
<td>Total employee fatality rate</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of near misses</td>
<td>Data not available</td>
<td>Data not available</td>
<td>Data not available</td>
</tr>
</tbody>
</table>

NYPA and Canals’ MWBE and SDVOB Spend

NYPA and Canals’ total identified MWBE spend and total identified SDVOB spend are based upon established New York State criteria, including but not limited to, services to be performed, availability of certified suppliers and geographic location.

<table>
<thead>
<tr>
<th>CATEGORIES</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of total identified MWBE spend with New York State certified suppliers (%)</td>
<td>23</td>
<td>24</td>
<td>22</td>
</tr>
<tr>
<td>Percent of total identified SDVOB spend with New York State certified suppliers (%)</td>
<td>70</td>
<td>63</td>
<td>65</td>
</tr>
</tbody>
</table>
## GRI 303-3, GRI 303-5 and SASB IF-EU-140a.1 - Water Withdrawal and Consumption

*Municipal water is not included in the data points below.*

<table>
<thead>
<tr>
<th>Categories</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total volume of water withdrawn (billion kiloliters)</td>
<td>208.69</td>
<td>211.63</td>
<td>197.57</td>
</tr>
<tr>
<td>Water withdrawn from surface water (billion kiloliters)</td>
<td>208.69</td>
<td>211.63</td>
<td>197.57</td>
</tr>
<tr>
<td>Water withdrawn from ground water (kiloliters)</td>
<td>679,822</td>
<td>884,334</td>
<td>206,116</td>
</tr>
<tr>
<td>Water withdrawn in regions with high or extremely high baseline water stress (%)</td>
<td>0.000326</td>
<td>0.000418</td>
<td>0.000104</td>
</tr>
<tr>
<td>Total volume of water consumed (kiloliters)</td>
<td>6,740,837</td>
<td>6,863,514</td>
<td>6,472,783</td>
</tr>
<tr>
<td>Water consumed in regions with high or extremely high baseline water stress (%)</td>
<td>6.05</td>
<td>7.73</td>
<td>2.16</td>
</tr>
</tbody>
</table>

### Water Recycled and Reused

<table>
<thead>
<tr>
<th>Categories</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total volume of water recycled and reused by NYPA (billion kiloliters)</td>
<td>208.69</td>
<td>211.63</td>
<td>197.56</td>
</tr>
<tr>
<td>Total volume of water recycled and reused as a percentage of the total water withdrawal (%)</td>
<td>99.99</td>
<td>99.99</td>
<td>99.99</td>
</tr>
</tbody>
</table>
GRI 306-3, 306-4, 306-5 - Waste Generated, Directed to Disposal, and Diverted from Disposal

Non-hazardous wastes are not included in reporting scope for 2021 or prior years. NYPA is currently evaluating ways to track non-hazardous wastes in the future.

<table>
<thead>
<tr>
<th>Categories</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>NYPA Hazardous Waste (Metric Tons)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total weight of hazardous waste</td>
<td>6.9</td>
<td>5.0</td>
<td>267.0</td>
</tr>
<tr>
<td>Reuse</td>
<td>0.0</td>
<td>0.0</td>
<td>3.2</td>
</tr>
<tr>
<td>Recycling</td>
<td>0.0</td>
<td>1.0</td>
<td>58.4</td>
</tr>
<tr>
<td>Recovery, including energy recovery</td>
<td>0.0</td>
<td>0.0</td>
<td>164.7</td>
</tr>
<tr>
<td>Incineration (mass burn)</td>
<td>6.6</td>
<td>4.1</td>
<td>38.4</td>
</tr>
<tr>
<td>Landfill</td>
<td>0.3</td>
<td>0.0</td>
<td>0.4</td>
</tr>
<tr>
<td>Other²</td>
<td>0.0</td>
<td>0.0</td>
<td>1.9</td>
</tr>
<tr>
<td>Canals Hazardous Waste (Metric Tons)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total weight of hazardous waste</td>
<td>Data not available</td>
<td>7.9</td>
<td>5.3</td>
</tr>
<tr>
<td>Incineration (mass burn)</td>
<td>Data not available</td>
<td>0.0</td>
<td>3.1</td>
</tr>
<tr>
<td>Recovery, including energy recovery</td>
<td>Data not available</td>
<td>0.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Landfill</td>
<td>Data not available</td>
<td>7.8</td>
<td>2.2</td>
</tr>
</tbody>
</table>

1. Increase in quantity of hazardous waste reflects expansion of scope of wastes reported. The 2021 total includes all NYS hazardous wastes regulated by 6 NYCRR Part 370. Prior years included only hazardous wastes that counted towards hazardous waste generator status.
2. Wastes in the "Other" category were received by an intermediate facility prior to their final disposal method of recycling, incineration, or energy recovery.
### GRI 305-1, 305-4, and SASB IF-EU-000.D - GHG Emissions

Greenhouse Gases included: CO₂, CH₄, N₂O, SF₆

*Emissions vary year over year due to changes in generation, fuel mix, and directives from the grid operator.*

<table>
<thead>
<tr>
<th>Categories</th>
<th>2019</th>
<th>2020 ¹</th>
<th>2021 ¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Scope 1 emissions (MT CO₂e)</td>
<td>1,369,772</td>
<td>1,539,119</td>
<td>1,426,813</td>
</tr>
<tr>
<td>Total power generated (MWh)</td>
<td>27,426,477</td>
<td>28,611,838</td>
<td>26,918,953</td>
</tr>
<tr>
<td>Emissions intensity (MT CO₂e/ MWh)</td>
<td>0.0499</td>
<td>0.0538</td>
<td>0.0530</td>
</tr>
</tbody>
</table>

¹: 2020 and 2021 emissions data were pending verification from The Climate Registry at the time of this report’s publication.

### GRI 305-7 and SASB IF-EU-120a.1 - Nitrogen Oxides (NOₓ), Sulfur Oxides (SOₓ), and Other Significant Air Emissions

Reportable emissions from our Southeastern New York fossil plants only. Emissions vary year over year due to changes in generation, fuel mix, and grid operator directives.

<table>
<thead>
<tr>
<th>Categories</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOₓ (excluding N₂O) (kg)</td>
<td>154,388</td>
<td>161,038</td>
<td>121,330</td>
</tr>
<tr>
<td>SOₓ (kg)</td>
<td>10,923</td>
<td>9,382</td>
<td>14,074</td>
</tr>
<tr>
<td>Volatile Organic Compounds (VOC) (kg)</td>
<td>8,642</td>
<td>14,163</td>
<td>9,915</td>
</tr>
<tr>
<td>Hazardous Air Pollutants (HAP) (kg)</td>
<td>11,425</td>
<td>12,752</td>
<td>12,088</td>
</tr>
<tr>
<td>Particulate Matter - Total PM (kg)</td>
<td>75,347</td>
<td>67,137</td>
<td>75,163</td>
</tr>
</tbody>
</table>
### SASB IF-EU-240a.1 & IF-EU-240a.4 - Electric Rates and Rate Comparisons

<table>
<thead>
<tr>
<th>NYPA Customer Segments</th>
<th>NYPA Rates ($/MWh)</th>
<th>Utility/Market Rate Estimates ($/MWh)</th>
<th>Context</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>N/A</td>
<td>N/A</td>
<td>NYPA does not serve residential customers.</td>
</tr>
<tr>
<td>Hydro Cost-Based</td>
<td>12.88</td>
<td>32.91</td>
<td>Hydro is a stable low-cost generation source, subject to less market fluctuation than other generation sources.</td>
</tr>
<tr>
<td>Hydro Economic Development¹</td>
<td>42.59</td>
<td>57.16</td>
<td>Hydro is a stable low-cost generation source, subject to less market fluctuation than other generation sources.</td>
</tr>
<tr>
<td>Hydro Industrial¹</td>
<td>33.25</td>
<td>27.71</td>
<td>NYPA ties the rate to commodity pricing so that when the customer's revenue is low, rates will be low.</td>
</tr>
<tr>
<td>NYC Governmental¹</td>
<td>73.93</td>
<td>83.98</td>
<td>NYPA provides power at cost and with dedicated resources built into the customer's portfolio.</td>
</tr>
<tr>
<td>Westchester County Governmental¹</td>
<td>50.97</td>
<td>72.94</td>
<td>NYPA provides power at cost and with dedicated resources built into the customer's portfolio.</td>
</tr>
</tbody>
</table>

¹ Rates include market costs that are passed through to customers as incurred by NYPA, as applicable.
### IF-EU-240a.4: Representative Risks and Opportunities Arising from External Factors, and Actions NYPA is taking that affect Affordability

*Reference Our Community for more information.*

<table>
<thead>
<tr>
<th>External Factor ¹</th>
<th>Risks</th>
<th>Opportunities</th>
<th>NYPA Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic hardships</td>
<td>Inability to pay electric bills</td>
<td>• Build strong relationships with communities and customers  &lt;br&gt;  • Promote business growth and economic resilience</td>
<td>• Offer tailored rate structures  &lt;br&gt;  • Execute long-term contracts  &lt;br&gt;  • Provide customer and community energy efficiency programs and services that lower bills (and reduce greenhouse gas emissions)</td>
</tr>
<tr>
<td>Carbon transition</td>
<td>Transition towards microgrids, wind and solar, reducing NYPA’s competitive advantage and increasing rates</td>
<td>• Expand customer clean energy services programs</td>
<td>• Expand transmission to interconnect renewables  &lt;br&gt;  • Continue generating clean reliable energy for NYS (hydropower)  &lt;br&gt;  • Provide building and vehicle energy efficiency, electrification and renewable energy services to customers</td>
</tr>
<tr>
<td>Physical impacts of climate change</td>
<td>Physical impacts to infrastructure and inability to meet customer needs</td>
<td>• Invest in innovation, efficiency and growth to meet changing customer and stakeholder needs</td>
<td>• Conduct climate vulnerability assessment and spillway analysis  &lt;br&gt;  • Harden NYPA assets  &lt;br&gt;  • Enhance biodiversity and climate resilience of NYPA land  &lt;br&gt;  • Expand clean energy services offerings</td>
</tr>
</tbody>
</table>

¹ This list of external factors is not exhaustive.
## 2021 GRI Index

*This is NYPA and Canals’ second year reporting with reference to the Global Reporting Initiative (GRI) Standards. Data included in this disclosure may differ from data otherwise included in the report or other disclosures in order to conform to GRI reporting requirements.*

<table>
<thead>
<tr>
<th>GRI #</th>
<th>GRI Disclosure</th>
<th>Location &amp; Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GRI 2: General Disclosures 2021</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-1</td>
<td>Organizational details</td>
<td>About Our Reporting</td>
</tr>
<tr>
<td>2-2</td>
<td>Entities included in the organization’s sustainability reporting</td>
<td>About Our Reporting</td>
</tr>
<tr>
<td>2-3</td>
<td>Reporting period, frequency and contact point</td>
<td>About Our Reporting</td>
</tr>
<tr>
<td></td>
<td>01-01-2021 to 12-31-2021</td>
<td>01-01-2021 to 12-31-2021</td>
</tr>
<tr>
<td>2-4</td>
<td>Restatements of information</td>
<td>None.</td>
</tr>
<tr>
<td>2-5</td>
<td>External assurance</td>
<td>This report did not undergo external assurance.</td>
</tr>
<tr>
<td>2-6</td>
<td>Activities, value chain, and other business relationships</td>
<td>About Us</td>
</tr>
<tr>
<td></td>
<td>NYPA and Canals secure suppliers to support critical operations, maintenance and capital projects, as well as bulk electric system, power plant, canal system, trailway and energy efficiency projects. Over 6000 contractors, consultants and equipment suppliers, among others, are engaged to support both NYPA, and Canals.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The estimated monetary value of payments made to suppliers is $806,724,208.00 for NYPA and $47133,990.00 for Canals, based upon 2021 annual spend on the procurement contracts.</td>
<td></td>
</tr>
<tr>
<td>2-7</td>
<td>Employees</td>
<td>Performance Data</td>
</tr>
<tr>
<td>2-8</td>
<td>Workers who are not employees</td>
<td>As projects warrant, non-employees (consultants and contractors) are hired to augment design work, inspection, and construction activities.</td>
</tr>
<tr>
<td>2-9</td>
<td>Governance structure and composition</td>
<td>Sustainability Governance</td>
</tr>
<tr>
<td></td>
<td>NYPA 2021 Annual Report</td>
<td></td>
</tr>
<tr>
<td>2-10</td>
<td>Nomination and selection of the highest governance body</td>
<td>NYPA 2021 Annual Report pg. 30</td>
</tr>
</tbody>
</table>
## 2021 GRI Index

<table>
<thead>
<tr>
<th>GRI #</th>
<th>GRI Disclosure</th>
<th>Location &amp; Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-11</td>
<td>Chair of the highest governance body</td>
<td>Leadership Statement</td>
</tr>
<tr>
<td>2-12</td>
<td>Role of the highest governance body in overseeing the management of impacts</td>
<td>Sustainability Governance</td>
</tr>
<tr>
<td>2-13</td>
<td>Delegation of responsibility for managing impacts</td>
<td>Sustainability Governance</td>
</tr>
<tr>
<td>2-14</td>
<td>Role of the highest governance body in sustainability reporting</td>
<td>Sustainability Governance</td>
</tr>
<tr>
<td>2-22</td>
<td>Statement on sustainable development strategy</td>
<td>Leadership Statement</td>
</tr>
<tr>
<td>2-23</td>
<td>Policy commitments</td>
<td>Compliance-related activities are overseen by the EMC and the Board of Trustees’ Audit Committee, Governance Committee, and Finance &amp; Risk Committee, reinforcing the commitments of NYPA and Canals’ leaders to institutionalize a culture of compliance across the organization. NYPA has a company Sustainability Policy as well as numerous other company policies and procedures that address our material ESG issues. These include eGRC Governance, Health &amp; Safety Program, Reasonable Accommodations, Anti-Retaliation, Workplace Violence, Equal Employment Opportunity, Anti Harassment, and Anti Discrimination, Environmental, Internal Controls, NERC Critical Infrastructure Protection (CIP), Risk &amp; Resilience, Cyber Security, Guidelines for Procurement Contracts, Expenditure Authorization Procedure, Strategic Supply Management, Supplier Diversity, Environmental Health &amp; Safety Compliance Audit Program, Internal Audit Charter, Physical Security Policy, Ethics and Compliance Program, Crisis Management, Reliability Standards Compliance, and Asset Management. Company policies are also supplemented by department level policies and procedures as well as NYPA’s Code of Conduct. Additional information on policy commitments relating to specific material ESG issues can be found throughout the report.</td>
</tr>
<tr>
<td>2-24</td>
<td>Embedding policy commitments</td>
<td>To ensure compliance on a corporate-wide level, the Office of Ethics and Compliance (OEC) maintains a Compliance Repository, an electronic inventory of mandatory external reporting and training requirements affecting NYPA, Canals and its employees. The Repository contains detailed information about reports required to be developed and submitted to external parties, as well as training required to be provided to employees. There are approximately 300 profiles affecting NYPA and Canals. Designated Compliance Liaisons are required to review and update the Compliance Repository twice annually to confirm that the content is accurate, revise actual reporting dates, add new reporting or training requirements or delete old items that are no longer applicable.</td>
</tr>
</tbody>
</table>
The OEC initiates annual individual reviews of the repository by Business Unit Heads, who certify that the information under their responsible area is accurate. NYPA’s attorneys are requested to validate the applicability of the requirements assigned to them and assure these obligations remain applicable to NYPA and Canals. In April 2021, the OEC developed and issued new training content focused on the Compliance Repository with the goal of helping Compliance Liaisons to better understand their roles related to maintaining and tracking reporting and training requirements in compliance with statutory and regulatory mandates.

The Repository is a critical component of NYPA and Canals’ Corporate Compliance Program, which directly supports the missions of NYPA and Canals and VISION2030.

NYPA also has an Employee Code of Conduct which provides clear expectations for responsible and professional workplace conduct. NYPA has developed and delivered a number of programs aimed at increasing upstander behavior and familiarity with the Equal Employment Opportunity (EEO) process including an EEO Complaint Procedure and Know Your Rights (EEO) FAQ and Training materials.

NYPA provides different channels to report grievances, and has various processes and Key Performance Indicators in place to remediate negative impacts. For example, the Strategic Supply Management department has established a Supplier Relationship Management (SRM) Division as a mechanism for suppliers to provide feedback. Other examples include NYPA’s 24/7 call center for public fast chargers (Evolve NY charging network) and E-Mobility Plugshare Score. NYPA processes are also overseen by regulatory agencies, such as the Northeast Power Coordinating Council (NPCC) Regional Standards Committee (RSC), which has a Potential Non-Compliance hotline to report NERC non-compliance issues, and the NYS Anti-Discrimination Investigations Division, and other Federal, State, and Local Oversight bodies (Equal Employee Opportunity Commission and NYS Human Rights Commissions).

The Human Resource Department is available to all employees to provide advice or address concerns. All employees may report to the Office of Ethics and Compliance regarding any issues relating to ethics or fail to comply with rules, regulations and laws. Union employees can also report grievances pursuant to their collective bargaining agreement and may seek assistance from Labor Relations Managers. All employees may report discrimination via the Equal Employee Opportunity (EEO) Complaint process set forth in the EEO policy; internally via the NYS Anti Discrimination Investigations Division, and externally to Federal, State and Local oversight bodies (Equal Employee Opportunity Commission and Human Rights Commission). NYPA also has an external Employee Concerns Line (877-TEL-NYPA) for employees to report allegations or concerns related to statutory and regulatory compliance and adherence to policies and procedures.
2-26 Mechanisms for seeking advice and raising concerns

(continued)

NYPA's Discrimination and Harassment Investigation Executive Review Committee prescribes administrative action where NYPA's Office of Civil Rights and Inclusion (OCRI) investigation of allegations of Employment-Related Protected-Class Discrimination results in (1) an unsubstantiated determination against the Respondent in the case; and (2) the identification of other conduct or policy violation results in the recommendation of further administrative action. There is also a cross-departmental Investigative Trends Committee which meets quarterly with an update to the Governance Committee to review investigations, related data and activities enterprise-wide.

2-27 Compliance with laws and regulations

NYPA was in compliance with environmental laws and/or regulations in 2021, having received no financial penalties. NYPA has an internal EH&S audit program where potential non-compliances and internal control improvements are identified and addressed via a corrective action program.

For NERC Reliability Standards, as mandated by FERC, NYPA has established internal controls to ensure compliance with applicable Standard requirements. Through NYPA’s oversight and management of our Reliability Standards Compliance Program, NYPA identified and self-reported to our regulators instances of non-compliance: 2019: 6; 2020: 7, 2021: 1. As part of the self-reporting process, NYPA developed and implemented mitigation plans which were approved and accepted by our regulator. None of the instances of non-compliance from these reporting years incurred monetary fines.

2-28 Membership associations

NYPA is an active member of the American Public Power Association (APPA), the Electric Power Research Institute (EPRI) and the Large Public Power Council (LPPC).

Other memberships and partnerships are referenced throughout the report where relevant, and in GRI 2-29 below.

2-29 Approach to stakeholder engagement

We view engaging our stakeholders as integral to the success of our operations. Through all our work—from planning and developing infrastructure projects, to customer service and community engagement—we involve key stakeholders to ensure their perspectives are heard, their expectations are understood and, where possible, their needs are met. We communicate through regular channels, such as community programs, workshops, town hall meetings, surveys, policy dialogues and industry conferences.

Representative stakeholders include the people of New York State, NYPA and Canals employees, State and local communities, community organizations, customers, suppliers, contractors and business partners, regulators and elected officials, industry organizations and peers, investors and strategic partners, rating agencies, and membership associations.

NYPA participates in membership associations including APPA, EPRI, LPPC, National Hydropower Association, Electric Utility Industry Sustainable Supply Chain Alliance, and the NYS Economic Development Council.
## 2021 GRI Index

<table>
<thead>
<tr>
<th>GRI #</th>
<th>GRI Disclosure</th>
<th>Location &amp; Notes</th>
</tr>
</thead>
</table>
| 2-30  | Collective bargaining agreements | **Performance Data**  
  Percentage of employees covered by collective bargaining agreements:  
  NYPA: 2019: 30%; 2020: 29%, 2021: 29%  
  Canals: 2019: 91%; 2020: 93%, 2021: 91% |

### GRI 3: Material Topics 2021

| 3-1   | Process to determine material topics | In 2020, we conducted a comprehensive assessment of our material ESG topics which included a benchmarking analysis of peer practices, industry trends, state regulations and initiatives, and sustainability frameworks and standards. Stakeholders were mapped and prioritized using AccountAbility’s AA1000 Stakeholder Engagement Standard to ensure a robust and inclusive process. NYPA and Canals employees, our Executive Management Committee and the Sustainability Advisory Council were engaged throughout the assessment. The process resulted in the identification and prioritization of 15 material ESG topics deemed to be important to key stakeholders and to have a potentially significant impact on our business. |

| 3-2   | List of material topics | **Material ESG Issues** |

| 3-3   | Management of material topics | **Our Planet**  
  Managing Climate Related Risks and Opportunities  
  **Our Community**  
  **Our People** |

### GRI 201: Economic Performance 2016

| 201-2 | Financial implications and other risks and opportunities due to climate change | **Our Planet** |

### GRI 203: Indirect Economic Impacts 2016

| 203-1 | Infrastructure investments and services supported | NYPA makes significant investments in the development of customer-sited solar and storage, implementation of energy efficiency projects at customer facilities, and installation of electric vehicle charging infrastructure at customer and public locations. These efforts positively impact our stakeholders, community and climate by reducing energy consumption, greenhouse gas emissions and other air emissions, creating green jobs, and supporting community development. |
GRI #  | GRI Disclosure                                                                 | Location & Notes                                                                                                                                                                                                 |
-------|----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
203-1  | Infrastructure investments and services supported (continued)                                                                          | NYPA's Reimagine the Canals initiative is investing $300 million in the New York State Canal System, and will yield positive impacts for communities and local economies by promoting outdoor recreation and fishing, encouraging canalside living, and expanding regional tourism. Many of our capital projects are still in design so it is too early to assess the community impact, but programs such as Canal Excursions, Public Fishing, and Ice Breaking have made very positive impacts on Canal communities. Our fishing project has had two successful annual pilots and the program will continue in 2022. Our third season of Canal Excursions to promote recreation and tourism along the Canal also continues in 2022. The Canastota Pocket Neighborhood is in development. The irrigation project is on hold while we assess the condition of the canal embankments in the west. Reimagine the Canals projects are all pro bono, meaning we are receiving no revenue. |
204-1  | Proportion of spending on local suppliers                                                                                             | Local is defined as New York State.                                                                                                                                                                                                                                               |
        |                                                                                                                                                                                                 | Our significant locations of operation are all within New York State.                                                                                                                                                                                                                |
        |                                                                                                                                                                                                 | Proportion of spending on local suppliers as percentage of total procurement budget:                                                                                                                                                                                                  |
        |                                                                                                                                                                                                 | NYPA: 2019: 67%; 2020: 53%; 2021: 56%                                                                                                                                                                                                                                               |
        |                                                                                                                                                                                                 | Canals: 2019: 89%; 2020: 90%; 2021: 94%                                                                                                                                                                                                                                             |
302-1  | Energy consumption within the organization                                                                                             | Data not available at time of publication. Data will be provided when available.                                                                                                                                                                                                  |
302-4  | Reduction of energy consumption                                                                                                       | Our Buildings                                                                                                                                                                                                                                                                     |
        |                                                                                                                                                                                                 | Energy reductions are calculated at the project level, typically supported by an ASHRAE analysis. NYPA is developing a Clean Energy Master Plan in 2022 that will identify additional energy efficiency opportunities across both NYPA and Canals, in addition to identifying an energy reduction target for Canals. |
303-1  | Interactions with water as a shared resource                                                                                           | With respect to the hydroelectric generating facilities, each power project utilizes a certain amount of water to generate power for users statewide. The project is required to meet state standards, regulated by the NYS Department of Environmental Conservation, through the issuance of a 401 Water Quality Certificate that verifies compliance with state water quality requirements. Water passes through the project via an intake structure, flows through the project and returns to the river once utilized to generate power. Additionally, NYPA’s fossil fuel plants utilize water for cooling that is returned to the environment through evaporation in cooling towers. |
These systems also discharge back into the environment by blowdowns which are monitored and regulated by State Pollution Discharge Elimination System Permits (SPDES). In cases where these discharges are to Publicly Owned Treatment Works, those blowdowns are monitored and regulated by New York City Department of Environmental Protection Commissioners orders.

Water withdrawal and consumption is reported annually in accordance with New York State water withdrawal regulations. Annual reviews are conducted of SPDES permit-required Best Management Practices (BMP) Plans. These BMP Plans are updated to address any permit exceedances or upsets. Discharge Monitoring Reports (DMRs) are filed monthly for locations with SPDES permits. These reports include pollutant concentrations, mass loading and flows for each regulated outfall as needed and specified. An internal environmental performance report is issued monthly by the EH&S department.

Goals have been established for environmental incidents for all regions and activities. An environmental performance report is issued monthly. This report includes water related metrics for water quality as it pertains to permit parameters. The target for each region and activity is reviewed and approved on an annual basis.

NYPA funds research through its participation in Electric Power Research Institute (EPRI) programs. The review of the participation in programs and approval of supplemental studies is conducted by the NYPA EPRI steering committee, composed of senior leadership which includes the head of the Technology Development and Innovation department. Members of NYPA staff advise EPRI on water-related topics of concern for further research. NYPA will participate in an EPRI project on an emerging water contaminant perfluorooctane sulfonate (PFOS). The study will evaluate fate and transport, sampling and monitoring methods.

A Water Resiliency Roadmap was developed in 2021 in collaboration with the EPRI. The report outlines opportunities for water-related activities and engagement, which will be explored in 2022.

<table>
<thead>
<tr>
<th>GRI #</th>
<th>GRI Disclosure</th>
<th>Location &amp; Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>303-1</td>
<td>Interactions with water as a shared resource (continued)</td>
<td>These systems also discharge back into the environment by blowdowns which are monitored and regulated by State Pollution Discharge Elimination System Permits (SPDES). In cases where these discharges are to Publicly Owned Treatment Works, those blowdowns are monitored and regulated by New York City Department of Environmental Protection Commissioners orders. Water withdrawal and consumption is reported annually in accordance with New York State water withdrawal regulations. Annual reviews are conducted of SPDES permit-required Best Management Practices (BMP) Plans. These BMP Plans are updated to address any permit exceedances or upsets. Discharge Monitoring Reports (DMRs) are filed monthly for locations with SPDES permits. These reports include pollutant concentrations, mass loading and flows for each regulated outfall as needed and specified. An internal environmental performance report is issued monthly by the EH&amp;S department. Goals have been established for environmental incidents for all regions and activities. An environmental performance report is issued monthly. This report includes water related metrics for water quality as it pertains to permit parameters. The target for each region and activity is reviewed and approved on an annual basis. NYPA funds research through its participation in Electric Power Research Institute (EPRI) programs. The review of the participation in programs and approval of supplemental studies is conducted by the NYPA EPRI steering committee, composed of senior leadership which includes the head of the Technology Development and Innovation department. Members of NYPA staff advise EPRI on water-related topics of concern for further research. NYPA will participate in an EPRI project on an emerging water contaminant perfluorooctane sulfonate (PFOS). The study will evaluate fate and transport, sampling and monitoring methods. A Water Resiliency Roadmap was developed in 2021 in collaboration with the EPRI. The report outlines opportunities for water-related activities and engagement, which will be explored in 2022.</td>
</tr>
</tbody>
</table>
### GRI 304: Habitats protected or restored

NYPA continues to maintain more than 3,850 acres of restored wildlife habitat as part of its commitment with State and Federal Agencies. We plan to expand our habitat restoration efforts in the future.

### GRI 305: Emissions 2016

<table>
<thead>
<tr>
<th>GRI #</th>
<th>Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>305-1</td>
<td>Direct (Scope 1) GHG emissions</td>
<td>Performance Data</td>
</tr>
<tr>
<td>305-2</td>
<td>Energy indirect (Scope 2) GHG emissions</td>
<td>NYPA does not currently track Scope 2 emissions. We plan to disclose Scope 2 emissions for 2022 in 2023 and set a baseline in the future.</td>
</tr>
<tr>
<td>305-3</td>
<td>Other indirect (Scope 3) GHG emissions</td>
<td>NYPA does not currently track Scope 3 emissions. We plan to disclose Scope 3 emissions for 2022 in 2023 and set a baseline in the future.</td>
</tr>
<tr>
<td>305-4</td>
<td>GHG emissions intensity</td>
<td>Performance Data</td>
</tr>
<tr>
<td>305-7</td>
<td>Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions</td>
<td>Performance Data</td>
</tr>
</tbody>
</table>

### GRI 306: Waste 2020

<table>
<thead>
<tr>
<th>GRI #</th>
<th>Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>306-3</td>
<td>Waste generated</td>
<td>Performance Data</td>
</tr>
<tr>
<td>306-4</td>
<td>Waste diverted from disposal</td>
<td>Performance Data</td>
</tr>
<tr>
<td>306-5</td>
<td>Waste directed to disposal</td>
<td>Performance Data</td>
</tr>
</tbody>
</table>

### GRI 308: Supplier Environmental Assessment 2016

<table>
<thead>
<tr>
<th>GRI #</th>
<th>Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>308-1</td>
<td>New suppliers that were screened using environmental criteria</td>
<td>In order to participate in a NYPA/Canals procurement, suppliers must be onboarded within our systems. All suppliers, including but not limited to contractors, consultants and equipment vendors, are added to the Authority’s Supplier Risk platform to monitor various risks, including those stemming from environmental issues in the supply chain. Any environmental risks identified for suppliers participating in active procurements are included in the evaluation process. NYPA onboards and monitors approximately 900 new suppliers annually.</td>
</tr>
</tbody>
</table>
## 2021 GRI Index

<table>
<thead>
<tr>
<th>GRI #</th>
<th>GRI Disclosure</th>
<th>Location &amp; Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GRI 401: Employment 2016</strong></td>
<td></td>
<td><strong>401-2</strong> Benefits provided to full-time employees that are not provided to temporary or part-time employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Location &amp; Notes</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Besides best-in-class health, welfare, wellness and time off benefits, NYPA and Canals offer access to a pension plan.</strong></td>
</tr>
<tr>
<td><strong>GRI 403: Occupational Health and Safety 2018</strong></td>
<td></td>
<td><strong>403-6</strong> Promotion of worker health</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Location &amp; Notes</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Health and Safety.</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>403-9</strong> Work-related injuries</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Location &amp; Notes</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Performance Data</strong></td>
</tr>
<tr>
<td><strong>GRI 404: Training and Education 2016</strong></td>
<td></td>
<td><strong>404-1</strong> Average hours of training per year per employee</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Location &amp; Notes</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>NYPA: 2019: 46.3 hrs; 2020: 25.5 hrs; 2021: Males - 54.4 hrs, Females - 36.5 hrs, Overall average - 50.0 hrs Canals: 2019: 25.6 hrs; 2020: 8.7 hrs; 2021: Males - 31.4 hrs, Females - 25.5 hrs, Overall average - 30.5 hrs</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>404-3</strong> Percentage of employees receiving regular performance and career development reviews</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Location &amp; Notes</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>The overall percentage of full-time NYPA employees receiving regular performance reviews was 93% in 2019, 91% in 2020, and 96% in 2021. In 2021, the percentage of eligible full-time employees receiving regular performance reviews was 92% for females and 97% for males.</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Canals currently does not have a formal performance review process but is in the process of developing a comprehensive plan.</strong></td>
</tr>
<tr>
<td><strong>GRI 405: Diversity and Equal Opportunity 2016</strong></td>
<td></td>
<td><strong>405-1</strong> Diversity of governance bodies and employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Location &amp; Notes</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Performance Data</strong></td>
</tr>
<tr>
<td><strong>GRI 406: Non-discrimination 2016</strong></td>
<td></td>
<td><strong>406-1</strong> Incidents of discrimination and corrective actions taken</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Location &amp; Notes</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>We do not report number of incidents of discrimination in this report because these data are confidential. The Office of Civil Rights &amp; Inclusion houses our Equal Employment Opportunity (EEO) safeguards and aims to hold all NYPA and Canals employees accountable and discourage hostile workplace treatment and discrimination. The EEO policies provide clear guidelines for the rights and responsibilities of employee channels for reporting incidents of discrimination, as well as the investigation of such complaints as mandated by New York State. We have an open-door policy for in-person meetings and can be contacted directly by phone or email. Our Labor Relations and Human Resources team is available to support employees with workplace disputes as well. There is a third-party, confidential and toll free hot-line available to employees for complaints and comments. The represented workforce may also pursue workplace issues via the grievance process in accordance with their respective collective bargaining agreements.</strong></td>
</tr>
</tbody>
</table>

---

2021 SUSTAINABILITY REPORT | 50
## 2021 GRI Index

<table>
<thead>
<tr>
<th>GRI #</th>
<th>GRI Disclosure</th>
<th>Location &amp; Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GRI 413: Local Communities 2016</strong></td>
<td>413-1 Operations with local community engagement, impact assessments, and development programs</td>
<td>We conduct regular community engagements and have development programs in place in the communities in which we operate. We conduct impact assessments when required by law or requested by customers. Key 2021 accomplishments include: 52,235 visitors to visitors centers across the state; 269 education tours for 5,063 students; community functions held by 34 organizations at the visitors centers; 710 meetings with elected officials and stakeholders; 69 presentations to various community/business organizations on NYPA-related topics reaching 800 people; 14 educational events in schools and at other education forums reaching 1,400 students/adults; 27 community events with NYPA displays and exhibits reaching 21,600 people.</td>
</tr>
<tr>
<td><strong>GRI 414: Supplier Social Assessment 2016</strong></td>
<td>414-1 New suppliers that were screened using social criteria</td>
<td>In order to participate in a NYPA/Canals procurement, suppliers must be onboarded within our systems. All suppliers including but not limited to contractors, consultants and equipment vendors, are added to the Authority’s Supplier Risk platform to monitor various risks, including those stemming from social issues in the supply chain. Any social risks identified for suppliers participating in active procurements are included in the evaluation process. NYPA onboards and monitors approximately 900 new suppliers annually.</td>
</tr>
<tr>
<td><strong>GRI 418: Customer Privacy 2016</strong></td>
<td>418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data</td>
<td>NYPA tracks this information internally and reports out where required for regulatory/compliance purposes. These data are sensitive and therefore not reported publicly.</td>
</tr>
</tbody>
</table>
## SASB Electric Utilities & Power Generators

### Table 1. Sustainability Disclosure Topics & Accounting Metrics

<table>
<thead>
<tr>
<th>Topic</th>
<th>Accounting Metric</th>
<th>Category</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenhouse Gas Emissions &amp; Energy Resource Planning</td>
<td>(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations</td>
<td>Quantitative</td>
<td>IF-EU-110a.1</td>
<td>(1) 1,426,813.1 MT CO$_2$e, (2) 97.9%, (3) 99.7%</td>
</tr>
<tr>
<td></td>
<td>New York participates in the Regional Greenhouse Gas Initiative (RGGI), the first mandatory market-based program in the United States to reduce greenhouse gas emissions. All NYPA's Southeast New York generating facilities are subject to RGGI.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Greenhouse gas (GHG) emissions associated with power deliveries</td>
<td>Quantitative</td>
<td>IF-EU-110a.2</td>
<td>2,584,206 MT CO$_2$e</td>
</tr>
<tr>
<td></td>
<td>This is the sum of emissions directly associated with NYPA-owned power generation and power contractually purchased from Astoria Energy II. NYPA does not deliver this power to retail customers. NYPA plans to expand its GHG inventory and calculate emissions from market purchases and transmission line losses in future years.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets</td>
<td>Discussion and Analysis</td>
<td>IF-EU-110a.3</td>
<td>Our Planet</td>
</tr>
<tr>
<td></td>
<td>(1) Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfillment of RPS target by market</td>
<td>Quantitative</td>
<td>IF-EU-110a.4</td>
<td>Not applicable. New York State does not have a Renewable Portfolio Standard. New York does have a Clean Energy Standard issued by the Public Service Commission, but NYPA is not subject to the jurisdiction of the Public Service Commission.</td>
</tr>
</tbody>
</table>
### SASB Electric Utilities & Power Generators | Table 1. Sustainability Disclosure Topics & Accounting Metrics

<table>
<thead>
<tr>
<th>Topic</th>
<th>Accounting Metric</th>
<th>Category</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Air Quality</strong></td>
<td>Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) particulate matter (PM$_{10}$), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population</td>
<td>Quantitative</td>
<td>IF-EU-120a.1</td>
<td><strong>Performance Data</strong></td>
</tr>
<tr>
<td></td>
<td>Note: Data in the Performance Data tables are for total particulate matter (PM). The emissions of PM$_{10}$, which is a subset of total PM, for 2021 were 13,020 kg. Percentage of each in or near areas of dense population: 2019: 100%, 2020: 100%, 2021: 100%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Water Management</strong></td>
<td>(†) Total water withdrawn, (2) total water consumed, percentage of each in regions with high or extremely high baseline water stress</td>
<td>Quantitative</td>
<td>IF-EU-140a.1</td>
<td><strong>Performance Data</strong></td>
</tr>
<tr>
<td></td>
<td>Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations</td>
<td>Quantitative</td>
<td>IF-EU-140a.2</td>
<td>In 2021, NYPA had 7 incidents of noncompliance associated with water quantity and/or quality permits, standards, and regulations including individual State Pollutant Discharge Elimination System (SPDES) permits for operational facilities, construction SPDES permits, as well as any deviation from the Article VII Certificate Conditions and Environmental Management &amp; Plan (EM&amp;CP) narrative compliance requirements. Only 2 of the 7 incidents occurred at facilities and activities directly operated by the company. In 2021, Canals had zero environmental incidents or noncompliances that resulted in a formal enforcement action.</td>
</tr>
<tr>
<td></td>
<td>Description of water management risks and discussion of strategies and practices to mitigate those risks</td>
<td>Discussion and Analysis</td>
<td>IF-EU-140a.3</td>
<td>Completed Water Resiliency Roadmap in collaboration with EPRI in 2021. Reviewing opportunities presented for implementation in support of VISION2030.</td>
</tr>
</tbody>
</table>
## SASB Electric Utilities & Power Generators | Table 1. Sustainability Disclosure Topics & Accounting Metrics

<table>
<thead>
<tr>
<th>Topic</th>
<th>Accounting Metric</th>
<th>Category</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal Ash Management</td>
<td>Amount of coal combustion residuals (CCR) generated, percentage recycled</td>
<td>Quantitative</td>
<td>IF-EU-150a.1</td>
<td>We do not own or have specified coal generation contracts.</td>
</tr>
<tr>
<td></td>
<td>Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment</td>
<td>Quantitative</td>
<td>IF-EU-150a.2</td>
<td>We do not own or have specified coal generation contracts.</td>
</tr>
<tr>
<td>Energy Affordability</td>
<td>Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers</td>
<td>Quantitative</td>
<td>IF-EU-240a.1</td>
<td>Performance Data</td>
</tr>
<tr>
<td></td>
<td>Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month</td>
<td>Quantitative</td>
<td>IF-EU-240a.2</td>
<td>Not applicable, NYPA does not directly serve residential customers.</td>
</tr>
<tr>
<td></td>
<td>Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days</td>
<td>Quantitative</td>
<td>IF-EU-240a.3</td>
<td>Not applicable, NYPA does not directly serve residential customers.</td>
</tr>
<tr>
<td></td>
<td>Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory</td>
<td>Discussion and Analysis</td>
<td>IF-EU-240a.4</td>
<td>Our Community Performance Data</td>
</tr>
<tr>
<td>Workforce Health &amp; Safety</td>
<td>(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)</td>
<td>Quantitative</td>
<td>IF-EU-320a.1</td>
<td>Performance Data</td>
</tr>
</tbody>
</table>
### Topic: End-Use Efficiency & Demand

<table>
<thead>
<tr>
<th>Accounting Metric</th>
<th>Category</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)</td>
<td>Quantitative</td>
<td>IF-EU-420a.1</td>
<td>Not applicable, NYPA does not have a decoupled rate structure.</td>
</tr>
<tr>
<td>Percentage of electric load served by smart grid technology</td>
<td>Quantitative</td>
<td>IF-EU-420a.2</td>
<td>Data are not available. As a generation and transmission company, NYPA installs smart grid technology to support integration of distributed generation and increase generation and transmission efficiency across the transmission system—not tied to specific loads.</td>
</tr>
</tbody>
</table>
| Customer electricity savings from efficiency measures, by market | Quantitative | IF-EU-420a.3  | 2019: 82,071 MWh  
2020: 27,110 MWh  
2021: 58,286 MWh |

### Topic: Nuclear Safety & Emergency Management

<table>
<thead>
<tr>
<th>Accounting Metric</th>
<th>Category</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column</td>
<td>Quantitative</td>
<td>IF-EU-540a.1</td>
<td>Not applicable. NYPA does not own or operate nuclear power generation.</td>
</tr>
<tr>
<td>Description of efforts to manage nuclear safety and emergency preparedness</td>
<td>Discussion and Analysis</td>
<td>IF-EU-540a.2</td>
<td>NYPA and Canals do not own or operate nuclear power generation. NYPA does have an Emergency Management program for NYPA assets such as our hydroelectric facilities and dams.</td>
</tr>
</tbody>
</table>

### Topic: Grid Resiliency

<table>
<thead>
<tr>
<th>Accounting Metric</th>
<th>Category</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations</td>
<td>Quantitative</td>
<td>IF-EU-550a.1</td>
<td>Due to FERC restrictions, this information cannot be released.</td>
</tr>
<tr>
<td>System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days</td>
<td>Quantitative</td>
<td>IF-EU-550a.2</td>
<td>Not applicable, NYPA does not provide distribution services.</td>
</tr>
</tbody>
</table>

---

**NY Power Authority | Canal Corporation**
## SASB Electric Utilities & Power Generators

### Table 2. Activity Metrics

<table>
<thead>
<tr>
<th>Activity Metric</th>
<th>Category</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of: (1) residential, (2) commercial, and (3) industrial customers served</td>
<td>Quantitative</td>
<td>IF-EU-000.A</td>
<td>(1) NYPA does not directly serve residential customers. (2, 3) NYPA has 1,069 customers, including governmental agencies, municipal/rural electric cooperatives, businesses, neighboring states and investor-owned utilities</td>
</tr>
<tr>
<td>Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers</td>
<td>Quantitative</td>
<td>IF-EU-000.B</td>
<td>Direct Sales to Commercial and Industrial Customers (includes sales to 787 companies and not-for-profit organizations): 8,576,000 MWh</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sales to Municipal Electric Systems, Rural Electric Cooperatives, and Other Public Customers (includes sales to 47 municipal electric utility systems, 4 rural electric cooperative systems, and more than 100 public agencies in NYS, 7 neighboring states, and 9 host communities): 15,360,000 MWh</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sales to Utilities and the New York Independent System Operator for Resale (includes sales to the Long Island Power Authority, New York Electric and Gas Corporation, Rochester Gas and Electric Corporation, and the NYS ISO. Portions were designated for resale to residential and farm customers or to business and not-for profit customers in the state.): 13,005,000 MWh</td>
</tr>
<tr>
<td>Length of transmission and distribution lines</td>
<td>Quantitative</td>
<td>IF-EU-000.C</td>
<td>Transmission lines: 1,456.1 circuit-miles</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Distribution lines: Not applicable. NYPA is a generation and transmission owner only.</td>
</tr>
<tr>
<td>Total electricity generated, percentage by major energy source, percentage in regulated markets</td>
<td>Quantitative</td>
<td>IF-EU-000.D</td>
<td>2021 Net Generation: 26,918,953 MWh</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Hydropower: 88%, Fossil: 12%</td>
</tr>
<tr>
<td>Total wholesale electricity purchased</td>
<td>Quantitative</td>
<td>IF-EU-000.E</td>
<td>Total wholesale electricity purchased excluding electricity consumed at generating facilities: 7,289,000 MWh</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ABOUT US

New York Power Authority

The New York Power Authority (NYPA) has its main administrative office in White Plains, NY. The Authority owns and operates five major generating facilities, eleven small electric generating units located at seven facilities, and four small hydroelectric facilities, with a total installed capacity of approximately 6,051 MW, and 1,400 circuit-miles of transmission lines, including major 765-kV and 345-kV transmission facilities. We provide clean energy and innovative energy services to our customers. NYPA is a corporate municipal instrumentality of New York State that serves the public without the use of tax revenue or state credit. We finance construction of our projects through bond sales to private investors and repay bondholders with proceeds from our operations.

NYPA’s power customers include:

- Large and small commercial and industrial businesses
- Municipal and rural cooperative electric systems
- Government entities across the state

New York State Canal Corporation

The New York State Canal Corporation (Canals), a subsidiary of NYPA, oversees the operation, maintenance and promotion of the New York State Canal System.\(^\star\) Canals is responsible for the premier waterway and trail system that honors the historic legacy of the Erie Canal and the adjoining Champlain, Oswego and Cayuga-Seneca canals, while offering unique recreational and tourism opportunities, and promoting sustainable economic development throughout the canal corridor.

\(^\star\) In this report, “NYPA and Canals” refers to both the New York Power Authority and its subsidiary, the New York State Canal Corporation. Organization-specific focus areas, goals and strategies are indicated, where relevant.

---

FAST FACTS

- 2,500+ employees
- 2,028 NYPAs
- 491 Canals
- Customers: NYPAs 1,069 – For power & energy efficiency
  - Canals & NYPA Tens of Thousands—For tourism, recreation & education
  - Generating facilities producing up to 25% of New York State’s electricity
- 1,456 circuit-miles of transmission lines
- 524 miles of Canal waterways, 150 miles of the Empire State Trail
- 80,000+ acres of owned and managed water and land
FORWARD-LOOKING STATEMENT

Statements in this report, including the message from NYPA’s interim president and CEO, about future performance, plans, expectations, objectives and forecasts and other statements that are not purely historical, are forward-looking statements. These forward-looking statements reflect our current expectations; however, such statements involve risks and uncertainties. Actual results could differ materially from current expectations. These forward-looking statements represent our expectations only as of the date of this report, and NYPA assumes no duty to update them to reflect new information, events or circumstances. Some of the factors that could cause actual results to differ materially are discussed in NYPA’s Financial Report for the year ended December 31, 2021 and other reports filed with New York State, available here. These documents also provide additional information on historical and other factual data contained in this report.
6h. Cyber and Physical Security Committee Report: (Chair Michael Balboni)

[Oral Report Only]
Memorandum

Date: July 26, 2022

To: THE BOARD OF TRUSTEES

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Audit Committee Recommendations for Approvals

SUMMARY

The Audit Committee met on July 14, 2022 and considered and recommended the following resolutions which are now before the Board of Trustees for adoption.

ITEMS FOR ADOPTION

i. KPMG LLP – Audit Services and Non-Audit Advisory Services Engagements

RESOLVED, that the Audit Committee hereby recommends that the Trustees approve an increase of funds to the personal service contract of KPMG LLP (“KPMG”) in the amount of $1 million/year for two years for audit services and $1 million/year for three years for non-audit advisory services for a total contract amount of $10,200,000; and be it further

RESOLVED, that the Audit Committee hereby recommends that the Trustees authorize the engagement of KPMG to provide audit associated with the Captive Insurance, Separately Financed Project (SFP), audit services related to Lease Accounting and Integrated Reporting and non-audit advisory services associated with process transformation and certain strategic transmission projects such as Clean Path New York and NY Transco- under the existing contract with KPMG for independent accounting services; and be it further

RESOLVED, that the Audit Committee hereby recommends that the Trustees, 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. New York Power Authority and Canal Corporation Audit Committee Charter

RESOLVED, that the Audit Committee hereby recommends that the Trustees adopt the New York Power Authority and Canal Corporation Audit Committee Charter.

iii. New York Power Authority Internal Audit Charter

RESOLVED, that the Audit Committee hereby recommends that the Trustees adopt the Authority Internal Audit Charter.

Justin E. Driscoll
Interim President and Chief Executive Officer
Date: July 26, 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 July 14, 2022 and considered and recommended the following resolutions which are now before the Board of Trustees (the “Board” or “Trustees”) for adoption.

ITEMS FOR ADOPTION

i. Substation Construction Contract Smart Path Connect Project

RESOLVED, That the Finance and Risk Committee recommends that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, the award of a five-year construction contract to Michels Power, Inc., in the not-to-exceed amount of $104,722,455, as recommended in the foregoing memorandum of the Interim President and Chief Executive Officer;

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

<table>
<thead>
<tr>
<th>Contractors</th>
<th>Contract Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michels Power Inc.</td>
<td>$104,722,455</td>
</tr>
<tr>
<td>Neenah, WI</td>
<td></td>
</tr>
</tbody>
</table>

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

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

RESOLVED, That the Authority will use Capital Funds to finance the costs of the Next Generation Niagara Project – Mechanical and Electrical Upgrades Project; it is the Authority’s intention to fund such expenditures from the proceeds of a debt issuance.
iii. **Next Generation Niagara Program 630T Crane Replacement Contract Award and Capital Expenditure Authorization Request**

RESOLVED, That the Finance and Risk Committee recommends that, pursuant to the Authority's Capital Planning and Budgeting Procedures, the Trustees approve capital expenditures in the amount of $44,836,000, for the Next Generation Niagara Program – 630T Crane Replacement Project in accordance with, and as recommended in, the foregoing memorandum of the Interim President and Chief Executive Officer; RESOLVED, That the Authority will use Capital Funds to finance the costs of the Next Generation Niagara Project – 630T Crane Replacement Project; it is the Authority's intention to fund such expenditures from the proceeds of a debt issuance.

**Capital Expenditure Authorization**

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

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

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Contract Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>REEL COH, Inc.</td>
<td>$37,984,957</td>
</tr>
<tr>
<td>Boisbriand, Québec</td>
<td></td>
</tr>
</tbody>
</table>

iv. **Energy Efficiency – Cold Climate Window Heat Pump Recommendation for Contract Award**

RESOLVED, That the Finance Committee recommends that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, the award of two value contracts in the aggregate amount of $70 million to Midea America Corp. and Treau, Inc. for a term of seven years.

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Contract Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midea America Corp.</td>
<td>$70,000,000</td>
</tr>
<tr>
<td>Treau, Inc.</td>
<td></td>
</tr>
</tbody>
</table>

v. **GUIDELINES FOR COMPLIANCE WITH PUBLIC AUTHORITIES LAW §2603-a LETTING OF CERTAIN CONTRACTS INVOLVING STEEL PROJECTS**

RESOLVED, That Public Authorities Law §2603-a governing the Letting of Certain Contracts Involving Steel Products allows the governing board of the Authority to establish rules and regulations for the effective administration of Public Authorities Law §2603-a;
RESOLVED, That the proposed Guidelines establish such rules and regulations to effectively administer the requirements of Public Authorities Law §2603-a, including a preference for contracts to utilize steel produced or made in whole or substantial part in the United States, its territories or possessions; and be it further

RESOLVED, That the Finance and Risk Committee recommends that the Trustees approve such Guidelines.

vi.  eMobility Technology & Engineering – Electric Transportation Program Consulting

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

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Expansion Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. AECOM USA Inc. of Los Angeles, CA</td>
<td>$20,000,000.00</td>
</tr>
<tr>
<td>2. Akimeka LLC of Columbia, MD</td>
<td></td>
</tr>
<tr>
<td>3. Burns McDonnell Consultants Inc. of Wallingford, CT</td>
<td></td>
</tr>
<tr>
<td>4. DNV Kema Renewables of Katy, TX</td>
<td></td>
</tr>
<tr>
<td>5. Energy and Environmental Economics, Inc. of San Francisco, CA</td>
<td></td>
</tr>
<tr>
<td>6. M.J. Bradley and Associates, LLC of Concord, MA</td>
<td></td>
</tr>
<tr>
<td>7. Navigant Consulting, Inc. of New York, NY</td>
<td></td>
</tr>
<tr>
<td>8. Vermont Energy Investment Corporation of Burlington, VT</td>
<td></td>
</tr>
<tr>
<td>9. West Monroe Partners, LLC of Chicago, IL</td>
<td></td>
</tr>
<tr>
<td>10. Western Power Project Advisors of Cerritos, CA</td>
<td></td>
</tr>
</tbody>
</table>

vii. Runner Band Drain Valves Request for Waiver to Article 22 “STEEL COMPONENTS”

RESOLVED, That the Finance and Risk Committee recommends that the Trustees approve a waiver of the Authority’s Agreement Article 22 “STEEL COMPONENTS” that the purchasing of steel be produced or made in whole or substantial part in the United States or its territories or possessions, in compliance with Public Authorities Law §2603-a for the purchase of four Runner Band Drain Valves, as recommended in the foregoing memorandum of the Interim President and Chief Executive Officer.

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

Justin E. Driscoll
Interim President and Chief Executive Officer
Date: July 26, 2022

To: THE TRUSTEES

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Municipal and Rural Electric Cooperative Industrial Economic Development Program – Allocation to the Jamestown Board of Public Utilities

SUMMARY

The Trustees are requested to approve an allocation of 1,550 kilowatts (“kW”) of hydropower under the Municipal and Rural Electric Cooperative Industrial Economic Development Program (“IEDP”) to the Jamestown Board of Public Utilities.

BACKGROUND

The 1991 amendment to the Power Sales Agreement between the Authority and each of the Municipal and Rural Electric Cooperative Systems set aside a block of 54 megawatts (“MW”) from the 752 MW of firm hydropower allocated to the systems for economic development in the systems’ service territories. The total allocation was increased to 768.4 MW as a result of additional firm power (both firm and firm peaking) resulting from the Niagara Project Life Extension and Modernization upgrade.

Power from this block can be allocated to individual systems to meet the increased electric load resulting from eligible new or expanding businesses in their service area. Recommended allocations under the IEDP are made using guidelines that were approved by the Trustees on September 23, 2008.

As of December 2021, approximately 17 MW have been allocated. The most recent allocations were awarded by the Trustees to the Village of Frankfort in August 2018. The Jamestown Board of Public Utilities has submitted an application for power under the program for consideration by the Trustees.

DISCUSSION

An application has been submitted by the Jamestown Board of Public Utilities to the Authority on behalf of Electrovaya Inc. Electrovaya was founded in 1996 with a focus on Lithium-ion technologies. The company’s headquarters are in Ontario, Canada and they have multiple production facilities in Canada to supply their customers across the globe. Electrovaya has plans for a location in New York to increase their manufacturing in North America and has made arrangements to acquire a facility at 1 Precision Way, Jamestown, NY. The facility is 135,000 square-feet on a 52-acre campus. The facility will be used to operate lithium-ion cell manufacturing and battery module assembly equipment.
The total amount of capital investment in this project is approximately $40,000,000 over three years. This includes building and site costs as well as equipment costs for their assembly lines.

The estimated monthly peak demand at the new facility will be 3,000 kW. This new business will provide 100 new jobs to the community over the next three years. All of these jobs will be full-time positions. Electrovaya has applied for an Excelsior grant from Empire State Development for $5,000,000 in financial assistance with the project.

NYPA IEDP guidelines classify Electrovaya Inc.’s manufacturing facility as an eligible new business that will be operating within the Jamestown Board of Public Utilities’ service territory. Under the program, the first 100 kW allocated will be 100% hydropower; any additional kW will be 50% hydropower and 50% incremental power. This IEDP allocation award would be for 1,550 kW.

NYPA staff recommends that the Trustees approve an allocation of 1,550 kW of Municipal and Rural Electric Cooperative Industrial Economic Development Program power to the Jamestown Board of Public Utilities on behalf of Electrovaya Inc. The IEDP Guidelines require that a minimum of 25 jobs per MW of allocated hydropower be attained. The jobs per MW ratio for this allocation exceeds the aforementioned guidelines.

RECOMMENDATION

The Senior Vice President – Clean Energy Solutions recommends that the Trustees approve the allocation of 1,550 kW under the Municipal and Rural Electric Cooperative Industrial Economic Development Program to the Jamestown Board of Public Utilities in accordance with the above memorandum of the Interim President and Chief Executive Officer.

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 hereby approve the allocation of 1,550 kW of hydropower to the Jamestown Board of Public Utilities under the Municipal and Rural Electric Cooperative Industrial Economic Development Program as set forth in the foregoing memorandum of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Senior Vice President of Clean Energy Solutions or his designee be, and hereby is, authorized to execute any and all documents necessary or desirable to effectuate this allocation, subject to the approval of the form thereof 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, 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: July 26, 2022
To: THE TRUSTEES
From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER
Subject: Preservation Power Allocations

SUMMARY

The Trustees are requested to:

1. (a) Approve an allocation of 84,000 kilowatts ("kW") of Preservation Power ("PP") to Air Products and Chemicals, Inc. ("Air Products") for a term of ten years; and (b) approve a separate allocation of 10,000 kW of PP to Air Products for a term of three years. Both allocations would support the company’s proposed development of a green hydrogen production facility at the Massena Industrial Park in Massena (St. Lawrence County), New York. The project is discussed in more detail below and in Exhibit "A".

2. Authorize a public hearing, in accordance with Public Authorities Law ("PAL") § 1009, on a proposed form of contract ("Proposed Contract") with Air Products that would, along with Authority Service Tariff No. 20 ("ST No. 20"), apply to the sale of PP to Air Products. Copies of the Proposed Contract and ST No. 20 are attached as Exhibit “A-1”.

BACKGROUND

Under PAL §1005(13)(a), the New York Power Authority ("NYP" or “Authority”) may contract to allocate 490 megawatts ("MW") of PP to businesses in Franklin, Jefferson and St. Lawrence counties, and applies the same allocation criteria that pertain to the allocations of Replacement Power and Expansion Power.

Each application for an allocation of PP is 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 business’ 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 local economic development officials from Franklin, Jefferson and St. Lawrence counties along with the Northern New York ("NNY") representative of the Empire State Development (collectively, “Economic Development Entities”) to coordinate economic development incentives that could help bring projects to New York State and to assess support for applications. Staff discusses potential PP allocations with the Economic
Development Entities to help maximize the value of hydropower to improve the economy of NNY and New York State. Each organization has expressed support for today’s recommended PP allocations.

At this time, 216,880 kW of unallocated PP is available to be awarded to businesses under the criteria set forth in PAL §1005(13)(a).

DISCUSSION

Air Products is a global manufacturer of industrial gases and chemicals serving a wide range of industries including healthcare, technology, and clean energy. The company’s industrial gases are used in applications such as providing oxygen to hospitals and specialty gases for electronics manufacturing. The company’s facility in Medina (Orleans County) currently utilizes Authority hydropower under the Replacement Power program to support industrial gas production.

Air Products is also a leading producer/supplier of green hydrogen. Green hydrogen is produced utilizing water and electrolysis. It can be used as fuel for, among other things, vehicles and to support manufacturing processes, thereby reducing carbon emissions in these sectors.

Air Products is proposing to construct a new facility for green hydrogen production in the Massena Industrial Park. The facility would produce gaseous and liquid hydrogen. Air Products would begin construction on the project in 2023.

In June 2022, Air Products applied to the Authority for 120,000 kW of power to support the green hydrogen project.

Air Products’ application has been considered under the Green Jobs Evaluation Incentive Plan approved by the Trustees on December 9, 2020. The plan allows for the consideration of green jobs impacts when evaluating applications for NYPA power. Air Products’ project meets the qualifying criteria as a green jobs company in New York State.

Staff is recommending that the Authority support the proposed Massena project through a combination of PP and High Load Factor (“HLF”) Power. Staff’s recommendation for a 16 MW HLF Power allocation for a ten-year term is discussed in a separate Board item. With respect to PP, staff is recommending that Air Products receive an 84 MW PP allocation for a term of ten years, and a 10 MW PP allocation for a term of three years. At an appropriate time, the 10 MW PP allocation can be extended, or replaced with another hydropower resource that becomes available.

The company’s green hydrogen project would involve a capital investment expenditure of at least $550 million. This includes construction costs in addition to machinery and equipment purchases such as electrolyzers and compressors.

The company would commit to the creation of 90 new, permanent, full-time jobs at the proposed Massena facility over the 10-year term of the allocations. Average annual compensation and benefits for the new jobs are estimated to be $90,000 per job. The job creation ratio for the proposed total allocation of 94,000 kW is 1 new job per MW. This ratio is below the historic average of 64 new jobs per MW based on allocations previously awarded. The total project investment of at least $550 million would result in a capital investment ratio of $5.9 million per MW. This ratio is below the historic average of $18.1 million per MW.
Green hydrogen produced at this new facility would be available to help support the State’s transition to low and zero-carbon clean energy, thus helping to advance the Climate Leadership and Community Protection Act’s goal of reducing greenhouse gas emissions 85 percent by 2050. The expansion would also support New York State’s goal of becoming a Regional Clean Energy Hydrogen Hub under the federal Regional Clean Hydrogen Hubs program.

The Economic Development Entities have expressed support for the recommended allocations to Air Products.

**CONTRACT INFORMATION**

The following is a summary of some of the matters that would be addressed in ST No. 20 and the Proposed Contract with Air Products:

- 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 Air Products, and anticipates reaching agreement on a contract substantially similar to the one 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 previously approved contracts for the sale of PP.
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 PP, 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 84,000 kW of PP to Air Products as described herein and in Exhibit “A” for a term of ten years, and approve an allocation of 10,000 kW of PP to Air Products as described herein and in Exhibit “A” for a term of three years; and

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

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 an allocation of 84,000 kilowatts of Preservation Power (“PP”) be awarded to Air Products and Chemicals, Inc. (“Air Products”) for a term of 10 years for use at the company’s Massena, New York facility as detailed in the foregoing memorandum of the Interim President and Chief Executive Officer (“Memorandum”), be and hereby is approved, subject to rates previously approved by the Trustees; and be it further

RESOLVED, That an allocation of 10,000 kilowatts of PP be awarded to Air Products for a term of 3 years for use at the company’s Massena, New York facility as detailed in the foregoing Memorandum, 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 Air Products and Chemicals, Inc. for the sale of the PP allocation (the “Contract”); 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
Preservation Power (“PP”)

Company: Air Products and Chemicals, Inc. (“Air Products”)

Location: Massena, NY

County: St. Lawrence County

IOU: National Grid

Business Activity: The company is a manufacturer of industrial gases and chemicals serving a wide range of industries including healthcare, technology, and clean energy. It is also a leading supplier of hydrogen.

Project Description: Air Products is proposing to construct a green hydrogen production facility at a location in the Massena Industrial Park.

Existing Allocation(s): None at this site

Power Request: 120,000 kW of hydropower

Power Recommended: 84,000 kW of PP (10-year term)
10,000 kW of PP (3-year term)

Job Commitment:
Base: 0
New: At least 90 jobs

New Jobs/Power Ratio: 1 job/MW

New Jobs - Avg. Wage and Benefits: $90,000

Capital Investment: At least $550 million

Capital Investment/MW: $5.9 million/MW

Other ED Incentives: Air Products is also being recommended for a 16,000 kW High Load Factor Power allocation.

Summary: Air Products is proposing to construct a new facility for green hydrogen production at a site in the Massena Industrial Park. The company currently utilizes Replacement Power for use at another facility.

Green hydrogen produced at this new project site would be available to help support the State’s transition to low and zero-carbon clean energy, thus helping to support the Climate Leadership and Community Protection Act’s goal of reducing greenhouse gas emissions 85 percent by 2050. The expansion would also support New York State’s goal of becoming a Regional Clean Energy Hydrogen Hub under the federal Regional Clean Hydrogen Hubs program.

An allocation of low-cost hydropower, along with other state support offered for this project, could incentivize Air Products to consider additional green hydrogen production opportunities in the State 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
PRESERVATION POWER AND ENERGY

SERVICE TARIFF NO. 20

Air Products and Chemicals, Inc.
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 Sale of Preservation Power and Energy (“Agreement”) with Air Products and Chemicals, Inc. (“Customer”) having offices at 7201 Hamilton Boulevard, Allentown, Pennsylvania, 18195. 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 St. Lawrence-FDR Power Project known as Preservation Power (or “PP”), as further defined in this Agreement, to qualified businesses in New York State in accordance with PAL § 1005(5) and (13);

WHEREAS, the Customer applied for an allocation of PP or an extension of an existing PP allocation for use at its 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 retention of jobs, capital investments, power usage and energy efficiency measures at the Facility, in exchange for an allocation of PP;

WHEREAS, the Authority’s Board of Trustees approved an allocation of PP to the Customer;

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, the Parties have reached an agreement on the terms and conditions applicable for the sale of the Allocation for a term as provided in this Agreement;

WHEREAS, electric service hereunder shall be subject to the rates and other terms and conditions contained in the Service Tariff as further provided in this 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. All other capitalized terms and abbreviations used in this Agreement but not defined in this Section or other provisions of this Agreement or its schedules or appendices shall have the same meaning as set forth in the Service Tariff.

“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 PP 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 applicable Service Tariff.

“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, the Service Tariff and the Rules.

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

“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 the Service Tariff.

“Firm Energy” is as defined in the Service Tariff.
“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.

“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 Adverse Water Condition.

“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.

“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.

“Preservation Power” (or “PP”) consists of 490 megawatts (“MW”) of firm hydroelectric power and associated energy produced by the Authority’s St. Lawrence-FDR Power Project.

“Prior Agreement” has the meaning set forth in the recitals to this Agreement.

“Project” means the Authority’s St. Lawrence-FDR Power Project, FERC Project No. 2000.

“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” means the Authority’s Service Tariff No. WNY-20, 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 “Preservation Power Allocations” which is attached to and made part of this Agreement.

“Schedule B” refers to the Schedule B entitled “Supplemental Preservation 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 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 the Service Tariff.

“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.

“Utility Tariff” means the retail tariff(s) of the Customer’s local electric utility filed and approved by the PSC that is applicable to the delivery of PP.

ARTICLE II
ELECTRIC SERVICE

1. The Authority will make available Electric Service to enable the Customer to receive the Allocation in accordance with this Agreement, the Service Tariff and the Rules. The Customer is not be entitled to receive Electric Service under this Agreement for any PP allocation unless such PP allocation is identified in Schedule A.

2. 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.

3. 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 the Service Tariff.

4. The provision of Electric Service associated with the Allocation is an unbundled service separate from the transmission and the delivery of the Allocation. The Customer acknowledges and agrees that Customer’s local electric utility, not the Authority, is responsible for the delivery of the Allocation to the Facility in accordance with applicable Utility Tariff(s).

5. 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 PP 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 PP customers receiving Electric Service under the Service Tariff, as applicable, based on the terms of such ruling, order, or decision.

6. The Contract Demand may not exceed the Allocation.
7. The Customer’s Facility must be metered by the Customer’s local electric utility in a manner that is 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, the Service Tariff, and the Rules.

8. 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 at the Facility, the proper and efficient implementation of the PP 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.

9. 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.

10. 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 PP program, 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, the Service Tariff and the Rules.

2. The Service Tariff and the Rules may be amended from time to time by the Authority 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 at least thirty (30) days prior written notice to the Customer of any proposed change in the Service Tariff or the Rules. No amendment to the Service Tariff or the Rules shall affect the determination of rates for PP to the Customer during the term of the Agreement except insofar as otherwise authorized by this Agreement. This provision shall not limit the Authority’s discretion to determine rates applicable to allocations of power and energy awarded to the Customer beyond or in addition to the Allocation.

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, the Service Tariff 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 Preservation 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. **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 materially 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 the Service Tariff is attached to this Agreement as Exhibit 1 and shall apply under this Agreement with the same force and effect as if fully set forth herein. The Customer consents to the application of the Service Tariff.

2. In the event of any inconsistencies, conflicts, or differences between the provisions of the Service Tariff and the Rules, the provisions of the Service Tariff shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of this Agreement and the Service Tariff 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 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 the Service Tariff or any successor service tariff, regardless of whether such NYISO Charges are transmission-related.

**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. Except as otherwise provided in this Agreement, all other provisions with respect to billing are set forth in the Service Tariff 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. In the event of an Adverse Water Condition, the Authority will have the right in its discretion to implement Hydropower Curtailments. The Authority will implement Hydropower Curtailments on a non-discriminatory basis as to all Authority customers that are served by the Project.

2. In the event of a Hydropower Curtailment, the Authority will provide Substitute Energy to the Customer and the Customer shall pay for such Substitute Energy. Unless otherwise agreed upon by the Parties in writing, Substitute Energy shall be sourced from markets administered by the NYISO.

3. For each kilowatt-hour of Substitute Energy provided by the Authority during a 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 Hydropower Curtailments shall be governed by the provisions of the Service Tariff relating to the rendition and payment of bills for Electric Service.

4. The Authority shall be under no obligation to deliver, and will not deliver, any such curtailed energy to the Customer in later billing periods.
5. The Authority may require the Customer to enter into a separate agreement relating to the provision and sale of Substitute Energy. The provisions of this Agreement will remain in effect notwithstanding the existence of any such separate agreement.

**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, the Service Tariff, 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, the Service Tariff, 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 PP 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

   Air Products and Chemicals, Inc.
   7201 Hamilton Boulevard
   Allentown, Pennsylvania, 18195
   Email:
   Facsimile: ________________
   Attention: Senior Business Development Manager

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, allow any other person to use any portion of the Allocation, or allow any other person to interconnect to the Facility. Any purported sale shall be invalid and any violation of this provision shall 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:

AIR PRODUCTS AND CHEMICALS, INC.

By: _____________________________________________
Title: _____________________________________________
Date: _____________________________________________

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: John R. Koelmel, Chairman

Date: _____________________________________________
### SCHEDULE A
PRESERVATION 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>
</tr>
</thead>
<tbody>
<tr>
<td>Preservation Power</td>
<td>84,000 kW (“PP Allocation 1”)</td>
<td>Massena Industrial Park Massena, New York 13662</td>
<td>July 26, 2022</td>
<td>Ten (10) years from the date of commencement of Electric Service</td>
</tr>
<tr>
<td>Preservation Power</td>
<td>10,000 kW (“PP Allocation 2”)</td>
<td>Massena Industrial Park Massena, New York 13662</td>
<td>July 26, 2022</td>
<td>Three (3) years from the date of commencement of Electric Service</td>
</tr>
</tbody>
</table>

---

Customer: Air Products and Chemicals, Inc.
SCHEDULE B
SUPPLEMENTAL PRESERVATION 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 the Service Tariff), 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 ten (10) 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 the Service Tariff) for Preservation 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 ten (10) 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, the Service Tariff 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 90 full-time, permanent employees ("Base Employment Level") at the Customer’s Facility within three (3) years of commencement of Electric Service. The Base Employment Level shall be maintained thereafter for the term of the Allocation through the Allocation Expiration Date specified for PP Allocation 1 in Schedule A 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 $550,000,000 to construct, furnish and/or expand the Facility ("Expansion Project Capital Investment Commitment"). The Expansion Project Capital Investment Commitment is expected to consist of the following approximate expenditures on the items indicated:
<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>EXPENDITURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>New facility construction costs</td>
<td>$ 220,000,000</td>
</tr>
<tr>
<td>Machinery and equipment purchases</td>
<td>$ 330,000,000</td>
</tr>
<tr>
<td><strong>Total Minimum Expansion Project Capital</strong></td>
<td><strong>$ 550,000,000</strong></td>
</tr>
<tr>
<td><strong>Investment Commitment:</strong></td>
<td></td>
</tr>
</tbody>
</table>

b. The Expansion Project Capital Investment Commitment shall be made, and the Facility shall be completed and fully operational, no later than July 26, 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
TAKEDOWN SCHEDULE
SCHEDULE D
ZERO EMISSION CREDIT CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings 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.

“PP Program 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 PP power program 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 the Service Tariff or the Rules, 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, the Service Tariff 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 PP power program 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 PP power program.

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 PP 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 PP load that it serves (the “PP Program ZEC Costs”). Such allocation will be based on the forecasted kilowatt-hours load of the PP program 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 PP power program 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 PP Program ZEC Costs to the Customer as the ZEC Charge based on the proportion of the Customer’s actual kilowatt-hours load for the PP purchased by the Customer to total kilowatt-hours load served by the Authority under the PP power program (i.e., PP Program 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 PP power program by the Authority (PP Program 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 PP 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 the Service Tariff, 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.
SCHEDULE E
MONTHLY RENEWABLE ENERGY CREDIT CHARGE

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 the Service Tariff No, 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 PP power program 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 PP 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 the Service Tariff, or the Rules, 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, the Service Tariff 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 PP power program 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 PP 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 PP 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 PP 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 PP 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 PP kilowatt-hour load for the month ("Total Monthly PP Load"). The Total Monthly REC Costs may be calculated based on forecasts of the Total Monthly PP Load that the Authority expects to serve for the month, or on a lagged basis based on the actual Total Monthly PP 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 PP 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 PP 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 the Service Tariff, 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
Preservation Power Customers
(Local Electric Utility Delivery)

Service Tariff No. 20

Issued by Keith T. Hayes, Vice President
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207
# Table of Contents

Schedule of Rates for Firm Power Service

<table>
<thead>
<tr>
<th>Section</th>
<th>Leaf No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Applicability</td>
<td>3</td>
</tr>
<tr>
<td>II. Abbreviations and Terms</td>
<td>3</td>
</tr>
<tr>
<td>III. Monthly Rates and Charges</td>
<td>5</td>
</tr>
<tr>
<td>A. Preservation Power (PP) Base Rates</td>
<td>5</td>
</tr>
<tr>
<td>B. PP Rates No Lower than Rural/Domestic Rate</td>
<td>5</td>
</tr>
<tr>
<td>C. Monthly Base Rates Exclude Delivery Service Charges</td>
<td>5</td>
</tr>
<tr>
<td>D. Minimum Monthly Charge</td>
<td>5</td>
</tr>
<tr>
<td>E. Estimated Billing</td>
<td>6</td>
</tr>
<tr>
<td>F. Adjustments to Charges</td>
<td>7</td>
</tr>
<tr>
<td>G. Billing Period</td>
<td>7</td>
</tr>
<tr>
<td>H. Billing Demand</td>
<td>7</td>
</tr>
<tr>
<td>I. Billing Energy</td>
<td>7</td>
</tr>
<tr>
<td>J. Contract Demand</td>
<td>7</td>
</tr>
<tr>
<td>IV. General Provisions</td>
<td>8</td>
</tr>
<tr>
<td>A. Character of Service</td>
<td>8</td>
</tr>
<tr>
<td>B. Availability of Energy</td>
<td>8</td>
</tr>
<tr>
<td>C. Delivery</td>
<td>8</td>
</tr>
<tr>
<td>D. Adjustment of Rates</td>
<td>8</td>
</tr>
<tr>
<td>E. Billing Methodology and Billing</td>
<td>9</td>
</tr>
<tr>
<td>F. Payment by Customer to Authority</td>
<td>9</td>
</tr>
<tr>
<td>1. Demand and Energy Rates, Taxes</td>
<td>9</td>
</tr>
<tr>
<td>2. Transmission Charge</td>
<td>10</td>
</tr>
<tr>
<td>3. NYISO Transmission and Related Charges</td>
<td>10</td>
</tr>
<tr>
<td>4. Taxes Defined</td>
<td>10</td>
</tr>
<tr>
<td>5. Substitute Energy</td>
<td>10</td>
</tr>
<tr>
<td>6. Other Charges</td>
<td>11</td>
</tr>
<tr>
<td>7. Payment Information</td>
<td>11</td>
</tr>
<tr>
<td>8. Billing Disputes</td>
<td>11</td>
</tr>
<tr>
<td>G. Rendition and Payment of Bills</td>
<td>12</td>
</tr>
<tr>
<td>H. Adjustment of Charges – Distribution Losses</td>
<td>13</td>
</tr>
<tr>
<td>I. Conflicts</td>
<td>13</td>
</tr>
<tr>
<td>V. Annual Adjustment Factor</td>
<td>14</td>
</tr>
</tbody>
</table>
Schedule of Rates for Firm Power Service

I. Applicability

To sales of Preservation Power made directly to a qualified business Customer for firm power service that is delivered by the Customer’s local electric utility.

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 Preservation 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 (1) has received an Allocation of Preservation Power, (2) purchases such Preservation Power directly from the Authority, and (3) receives delivery of the Preservation Power from a local electric utility.

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

Firm Power: Hydropower 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 Factor Sharing or LFS:** A type of billing methodology applicable to a Customer’s Allocation which determines how a Customer’s total Native System Load is apportioned between the power and energy supplied by the Allocation and the Customer’s other source of electricity supply, if any. LFS is used to determine the amount of Firm Energy supplied and billed on the basis of the Customer’s actual total Native System Load per the monthly billing cycle as follows:

1. When the Maximum Metered Demand is less than (<) the Contract Demand, then the Customer’s entire load will be supplied by Firm Energy.
2. When the Maximum Metered Demand is greater than (>) the Contract Demand, then the Customer’s portion of Firm Energy supply will be determined as follows:
   a. **For Hourly Billing:** \( \sum \left( \frac{\text{Contract Demand}}{\text{Maximum Metered Demand}} \times \text{the in-hour demand of Customer’s total Native System Load for all hours} \right) \)
   b. **For Monthly Billing:** \( \left( \frac{\text{Contract Demand}}{\text{Maximum Metered Demand}} \times \text{the total consumed energy by the Customer within the bill cycle} \right) \)

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

**Maximum Metered Demand:** The highest 15 or 30-minute integrated demand, as determined by the local electric utility, during each Billing Period recorded on the meter that is used by the Customer in accordance with this Service Tariff and the Agreement.

**Native System Load:** The total consumption of the Customer’s electric system, as determined by the Authority’s revenue-grade metering equipment, without the offset of Customer’s behind the meter generation. It is represented as the sum of all incoming power, plus internal generation behind the system meter, minus power exports to the bulk electric system.

**Preservation Power or PP:** 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), and that is delivered by the Customer’s local electric utility.

**Project:** The Authority’s St. Lawrence-FDR Power Project, FERC Project No. 2000.

**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. 20.

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. Preservation Power (PP) Base Rates

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

<table>
<thead>
<tr>
<th>Rate Year</th>
<th>Billing Period</th>
<th>Demand ($/kW)</th>
<th>Energy ($/MWh)</th>
</tr>
</thead>
</table>

B. PP Rates No Lower than Rural/Domestic Rate

At all times the applicable PP 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 PP 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 rate specified in Section III.A 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, and any other charges provided in this Service Tariff, the Agreement or the Rules.
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 a load factor sharing billing methodology as follows:

- The estimated demand amount (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 amount (kW) for the Estimated Bill 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 a load factor sharing billing methodology as follows:

- 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 amount (kWh) will be equal to the takedown (kW) amount at 70 percent load factor for that Billing Period.

If an alternative billing methodology is applicable to the Customer, the demand charge and energy charge for rendering an Estimated Bill shall be calculated in a manner appropriate to such alternative billing methodology as determined by the Authority.

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 Facility is located.

H. **Billing Demand**

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

J. **Contract Demand**

The Contract Demand will be the amount of Preservation 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 and responsibility for payment of costs associated therewith, will be governed by 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 or any successor provision addressing adjustments.

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 Energy - The LFS methodology will be applied against the Customer’s Native System Load during the Billing Period to determine the amount of Firm Energy (kWh) attributable to the Allocation (Billing Energy) to be billed to the Customer and charged at the applicable PP Rate. All energy quantities will be adjusted for losses.

3. Billing Demand – The LFS methodology will be applied against the Customer’s Maximum Metered Load during the Billing Period to determine the amount of Firm Power (kW) attributable to the Allocation (Billing Demand) to be billed to the Customer and charged at the applicable PP Rate. Billing Demand may not exceed the amount of the Contract Demand. All demand quantities 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 rate 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 rate 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 Preservation 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. **Other Charges**

The Customer shall pay the Authority for all other charges provided for in the Agreement.

7. **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.

8. **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 twentieth (20th) calendar 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. 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, 2017 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>Measuring Year</th>
<th>Measuring Year - 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>205.3</td>
<td>167.8</td>
</tr>
<tr>
<td>February</td>
<td>204.3</td>
<td>167.6</td>
</tr>
<tr>
<td>March</td>
<td>204.5</td>
<td>168.2</td>
</tr>
<tr>
<td>April</td>
<td>202.4</td>
<td>168.6</td>
</tr>
<tr>
<td>May</td>
<td>206.3</td>
<td>171.6</td>
</tr>
<tr>
<td>June</td>
<td>220.4</td>
<td>180.1</td>
</tr>
<tr>
<td>July</td>
<td>226.2</td>
<td>182.7</td>
</tr>
<tr>
<td>August</td>
<td>227.3</td>
<td>179.2</td>
</tr>
<tr>
<td>September</td>
<td>228.1</td>
<td>181.8</td>
</tr>
<tr>
<td>October</td>
<td>214.9</td>
<td>170.2</td>
</tr>
<tr>
<td>November</td>
<td>211.3</td>
<td>168.8</td>
</tr>
<tr>
<td>December</td>
<td>211.7</td>
<td>166.6</td>
</tr>
</tbody>
</table>

Average: 213.6 | 223.7

Ratio of MY/MY-1: 0.95
### 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>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Measuring Year (2015)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CT</td>
<td>444,588</td>
<td>3,432,002</td>
<td></td>
</tr>
<tr>
<td>MA</td>
<td>1,068,927</td>
<td>7,892,165</td>
<td></td>
</tr>
<tr>
<td>ME</td>
<td>290,360</td>
<td>3,208,045</td>
<td></td>
</tr>
<tr>
<td>NH</td>
<td>252,331</td>
<td>1,981,028</td>
<td></td>
</tr>
<tr>
<td>NJ</td>
<td>778,985</td>
<td>7,320,398</td>
<td></td>
</tr>
<tr>
<td>NY</td>
<td>1,140,573</td>
<td>18,079,200</td>
<td></td>
</tr>
<tr>
<td>OH</td>
<td>3,548,736</td>
<td>50,556,675</td>
<td></td>
</tr>
<tr>
<td>PA</td>
<td>3,411,815</td>
<td>47,404,272</td>
<td></td>
</tr>
<tr>
<td>RI</td>
<td>109,866</td>
<td>798,532</td>
<td></td>
</tr>
<tr>
<td>VT</td>
<td>146,022</td>
<td>1,421,601</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>11,192,203</strong></td>
<td><strong>142,093,918</strong></td>
<td><strong>7.88</strong></td>
</tr>
</tbody>
</table>

| **Measuring Year -1 (2014)** | | | |
| CT    | 453,958          | 3,514,798   |                       |
| MA    | 1,014,262        | 7,960,941   |                       |
| ME    | 300,412          | 3,357,486   |                       |
| NH    | 234,900          | 1,969,064   |                       |
| NJ    | 855,757          | 7,516,616   |                       |
| NY    | 1,184,255        | 18,002,976  |                       |
| OH    | 3,440,919        | 50,829,251  |                       |
| PA    | 3,580,990        | 48,317,693  |                       |
| RI    | 114,111          | 887,150     |                       |
| VT    | 145,111          | 1,417,994   |                       |
| **TOTAL** | **11,324,673** | **143,773,969** | **7.88** |

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>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>191.9</td>
<td>196.0</td>
</tr>
<tr>
<td>February</td>
<td>191.8</td>
<td>195.4</td>
</tr>
<tr>
<td>March</td>
<td>192.1</td>
<td>195.0</td>
</tr>
<tr>
<td>April</td>
<td>192.8</td>
<td>194.8</td>
</tr>
<tr>
<td>May</td>
<td>193.4</td>
<td>194.9</td>
</tr>
<tr>
<td>June</td>
<td>193.7</td>
<td>195.2</td>
</tr>
<tr>
<td>July</td>
<td>193.7</td>
<td>194.9</td>
</tr>
<tr>
<td>August</td>
<td>194.0</td>
<td>193.9</td>
</tr>
<tr>
<td>September</td>
<td>193.9</td>
<td>193.1</td>
</tr>
<tr>
<td>October</td>
<td>194.3</td>
<td>192.9</td>
</tr>
<tr>
<td>November</td>
<td>194.9</td>
<td>192.3</td>
</tr>
<tr>
<td>December</td>
<td>195.6</td>
<td>191.9</td>
</tr>
</tbody>
</table>

Average: 193.5 | 194.2

Ratio of MY/MY-1: 1.00

**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>0.95</td>
<td>0.35</td>
<td>0.334</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>1.00</td>
<td>0.25</td>
<td>0.249</td>
</tr>
</tbody>
</table>

AAF: 0.983

**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</th>
<th>Energy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Rate Year Base Rate</td>
<td>8.03</td>
<td>13.73</td>
</tr>
<tr>
<td>New Rate Year Base Rate</td>
<td>7.90</td>
<td>13.50</td>
</tr>
</tbody>
</table>
Date: July 26, 2022

To: THE TRUSTEES

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Extension of the Industrial Incentive Award to Pratt Paper (NY), Inc. and Economic Development Plan

SUMMARY

The Trustees are requested to approve a one-year extension, from June 1, 2022 to May 31, 2023, of the term of the Industrial Incentive Award (“IIA”) previously awarded to Pratt Paper (NY), Inc. (“Pratt”) in the amount of up to $1 million in connection with its Staten Island operations. At its meeting held on July 25, 2022, the Economic Development Power Allocation Board (“EDPAB”) approved an extension, through May 31, 2023, of the Economic Development Plan (“Plan”) covering the use of net revenues produced by the sale of Expansion Power (“EP”) to provide electric bill discounts in the form of an IIA to manufacturing companies located in New York State that are at identifiable risks of closure or relocation to another state. Such extension would accommodate an extended IIA to Pratt.

BACKGROUND

Public Authorities Law (“PAL”) § 1005 (eighth unnumbered paragraph) directs the Authority to identify “net revenues” produced by the sale of EP and, further, to identify an amount of such net revenues that will be used solely for IIAs. The Authority is directed in Section 1005 to identify net revenues available for IIAs no less often than annually. Net revenues are defined by PAL § 1005 as any excess of revenues properly allocated to the sales of EP over costs and expenses properly allocated to such sales.

IIAs are to be made in conformance with an economic development plan covering all such “net revenues.” The Authority submits a plan to EDPAB pursuant to Economic Development Law (“EDL”) § 188, which also provides for EDPAB’s approval of the plan upon its determination that such Plan is consistent with, among other things, the economic development criteria provided for in EDL §§ 184 and 185 that evaluate applications for certain power. A copy of EDL §§ 184 and 185 is attached as Exhibit “A.”

At its October 26, 2009 meeting, EDPAB approved an Economic Development Plan (“Plan”) that allows the use of net revenues from the sale of EP for the calendar years of 2008 up through and including 2016 to provide electric bill discounts to manufacturing companies located in New York State that are at identifiable risk of closing or relocating to another state.

At its May 21, 2013 meeting, the Trustees authorized an IIA to Pratt upon determining that Pratt had demonstrated it met the qualifying criteria for an IIA and after careful consideration of Pratt’s business case. The Trustees approved an annual amount of up to $1 million per year for up to five (5) years.
At its September 27, 2016 meeting, the Trustees approved an extension of the Plan to May 31, 2018 and also authorized submission of such Plan to EDPAB to request its approval of the modified Plan to cover the remainder of the five-year term of the IIA to Pratt. At its December 12, 2016 meeting, EDPAB approved the extension of the Plan that allows the use of net revenues from the sale of EP to May 31, 2018. At its December 10, 2018 meeting EDPAB approved the extension of the Plan that allows the use of net revenues from the sale of EP to May 31, 2019.

At their March 26, 2019 meeting, the NYPA Trustees (1) approved an extension, from June 1, 2019 to May 31, 2020, of the Plan covering the use of net revenues produced by the sale of EP to provide electric bill discounts in the form of IIAs to manufacturing companies located in New York State that are at risk of closure or relocation to another state; (2) authorized submission to EDPAB of a request to approve an extension, from June 1, 2019 to May 31, 2020, of the Plan; and (3) approved a one year extension, from June 1, 2019 to May 31, 2020, of the term of the IIA previously awarded to Pratt in the amount of up to $1 million in connection with its Staten Island operations, contingent upon EDPAB’s extension of the Plan.

At its meeting on September 24, 2019, EDPAB approved an extension of the Plan to provide electric bill discounts in the form of an IIA to manufacturing companies located in New York State that are at identifiable risks of closure or relocation to another state from June 1, 2019 to May 31, 2020.

At its meeting on July 27, 2020, EDPAB approved an additional extension of the Plan to provide electric bill discounts in the form of an IIA to manufacturing companies located in New York State that are at identifiable risks of closure or relocation to another state from June 1, 2020 to May 31, 2021.

At its meeting on July 28, 2020, the NYPA Trustees approved an extension, from June 1, 2020 to May 31, 2021, of the Plan covering the use of net revenues produced by the sale of EP to provide electric bill discounts in the form of IIAs to manufacturing companies located in New York State that are at risk of closure or relocation to another state and approved a one year extension, from June 1, 2020 to May 31, 2021, of the term of the IIA previously awarded to Pratt in the amount of up to $1 million in connection with its Staten Island operations, contingent upon EDPAB’s extension of the Plan.

At its meeting on September 27, 2021, EDPAB approved an additional extension of the Plan to provide electric bill discounts in the form of an IIA to manufacturing companies located in New York State that are at identifiable risks of closure or relocation to another state from June 1, 2021 to May 31, 2022.

At its meeting on October 6, 2021, the NYPA Trustees approved an extension, from June 1, 2021 to May 31, 2022, of the Plan covering the use of net revenues produced by the sale of EP to provide electric bill discounts in the form of IIAs to manufacturing companies located in New York State that are at risk of closure or relocation to another state and approved a one year extension, from June 1, 2021 to May 31, 2022, of the term of the IIA previously awarded to Pratt in the amount of up to $1 million in connection with its Staten Island operations, contingent upon EDPAB’s extension of the Plan.
At its meeting on July 25, 2022, EDPAB approved an additional extension of the Plan to provide electric bill discounts in the form of an IIA to manufacturing companies located in New York State that are at identifiable risks of closure or relocation to another state from June 1, 2022 to May 31, 2023.

Pratt operates a paper mill, a corrugated box factory and a sorting facility in Staten Island within Consolidated Edison service territory. Manufacturing processes represent a substantial portion of Pratt’s total electricity consumption, and energy costs are a primary consideration for the economic viability of the plant. Pratt’s IIA, in the form of a cents per kWh price discount applied to a level of annual electric consumption, was approved subject to, among other appropriate terms and conditions:

- Reevaluation and reduction should Pratt’s electric rates decline during the term of the IIA.
- The availability of EP net revenue funding for IIAs, which is in NYPA’s sole discretion.
- Appropriate determination(s) by the Trustees that the funding of IIAs in any fiscal year will not have a significant impact on the Authority’s finances.
- Approval of an extension of the plan by EDPAB beyond 2020 to the extent that an IIA to Pratt would extend beyond such year.
- A reduction in the amount of the IIA if Pratt does not meet agreed-upon job commitments (256 full time employees) at the Staten Island facility.
- An agreement providing for the IIA and which addresses these and other appropriate terms and conditions in a form satisfactory to the Authority.

The Authority executed an agreement with Pratt (“Agreement”) providing for the terms and conditions applicable to the Pratt IIA. The Agreement provided for an initial 1-year term for the IIA and an extension of the IIA for 4 subsequent 1-year terms at the Authority’s discretion subject to conditions specified in the Agreement. As approved by the Trustees and in accordance with the Agreement, Pratt was eligible to receive up to $1 million for each year and has received $1 million for each year of the IIA for a total of $8 million.

At the completion of the extended term, a compliance review and due diligence was performed on the terms and conditions of the Agreement. Pratt has been compliant for each annual term, most recently employing an average of 281 persons at its facility during the seventh annual term ending May 31, 2021. Due to the pandemic, compliance was suspended the last reporting year.

DISCUSSION

As the end of the ninth year of the extended IIA approached, Pratt requested an extension of the IIA. Upon review of Pratt’s current business case, staff determined that Pratt continues to meet the IIA requirements of being a manufacturing company at risk of closing or curtailing operations and continues to be negatively impacted by high electricity costs within Consolidated Edison service territory which, according to Pratt, threatens the economic viability of operations at its Staten Island facility.

Pratt also indicates it is anticipating electricity delivery price increases in the near term based upon review of the existing utility tariff. The company also cited both higher utility taxes and a recent rate case filing for significant increases in delivery costs of natural gas as making the Staten Island plant less competitive than its facilities in other states, further jeopardizing its successful operations in New York. Pratt indicates that additional expenses, including those
related to compliance with a new requirement imposed by New York City relating to wastewater pre-treatment, are expected to further increase operating costs at the Staten Island facilities.

An extension of the IIA would support Pratt’s ability to maintain its committed employment level of 256 jobs at its facility.

Accordingly, the Trustees are requested to approve a one-year extension, from June 1, 2022 to May 31, 2023, of the term of the IIA previously awarded to Pratt in the amount of up to $1 million in connection with its Staten Island operations.

FISCAL INFORMATION

IIA awards may only be paid out if sufficient net revenues are produced by the sale of EP. Given that such net revenues and associated awards are anticipated in each year’s budget, extension of the Plan from June 1, 2022 through May 31, 2023 to accommodate an additional year of IIA benefits will not have a significant impact on the Authority’s finances.

RECOMMENDATION

The Senior Vice President of Clean Energy Solutions recommends that the Trustees approve a one-year extension, from June 1, 2022 to May 31, 2023, of the term of the IIA previously awarded to Pratt in the amount of up to $1 million in connection with its Staten Island operations.

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

Justin E. Driscoll
Interim President and Chief Executive Officer
RESOLVED, That the Authority hereby approves an extension to the term of the Industrial Incentive Award previously awarded to Pratt Paper (NY), Inc. to May 31, 2023, as described in the foregoing memorandum of the President and Chief Executive Officer, contingent upon EDPAB’s approval of the requested extension of the Plan; 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 Executive Vice President and General Counsel.
Economic Development Law §§ 184 AND 185

§ 184. Criteria for eligibility for economic development power. Each application for an allocation of economic development power shall be evaluated under criteria adopted by the board. Such criteria shall address, but need not be limited to:

(a) the number of new jobs created as a result of an economic development power allocation;

(b) the applicant's long-term commitment to New York state, as evidenced by the applicant's current and/or planned capital investment in business facilities in New York state;

(c) the ratio of the number of jobs to be created to the amount of economic development power requested by the applicant;

(d) the types of jobs created, as measured by wage and benefit levels, security and stability of employment;

(e) the type and cost of buildings, equipment and facilities to be constructed, enlarged or installed;

(f) the extent to which economic development power will affect the overall productivity or competitiveness of the applicant's business and its existing employment within the state;

(g) the extent to which an allocation of economic development power may result in a competitive disadvantage for other businesses in the state;

(h) the general economic conditions and economic distress in the area in which the applicant's business facility would be located and the extent to which economic development power could contribute to the alleviation of such distress;

(i) the growth potential of the business facility and the contribution of economic strength to the area in which the business facility is or would be located;

(j) the extent of the applicant's willingness to make jobs available to persons defined as eligible for services under the federal job training partnership act of nineteen hundred eighty-two and the extent of the applicant's willingness to satisfy affirmative action goals;

(k) the extent to which an allocation of economic development power is consistent with state, regional and local economic development strategies and priorities and supported by local units of government in the area in which the business is located; and

(l) the impact of the allocation on the operation of any other facilities of the applicant, on other businesses within the state, and upon other electric ratepayers.
§ 185. Revitalization programs. In addition to the criteria described in section one hundred eighty-four of this article and such other criteria as the board may by rule or regulation define, an economic development power allocation may be made to a business in serious, long-term distress that is not primarily caused by normal, short-term changes in the business cycle, when the applicant demonstrates to the satisfaction of the board:

(a) that the applicant has formulated and will implement a comprehensive business revitalization plan which is described in its application, and which:

(1) contains a detailed strategy for actions to be taken by the applicant to continue as a successful business, including, but not limited to, productivity and efficiency improvements, changes in operations, financing or management, measures to enhance labor and management cooperation and to improve the skills and performance of the work force at all levels, capital investment in new equipment and plant modernization, development of new markets and products, and such other actions as will enable the business to stabilize and sustain its operations;

(2) has been endorsed by the board of directors; and

(3) establishes a verifiable schedule for completion of proposed actions;

(b) that an allocation of economic development power will significantly contribute to the revitalization plan;

(c) that the business is likely to close, partially close or relocate out of state resulting in the loss of substantial numbers of jobs;

(d) that the business is an important employer in the community and efforts to revitalize the business are in the long-term interests of both employees and the community;

(e) that a reasonable prospect exists that the proposed revitalization plan will enable the business to remain competitive and become profitable and preserve jobs for a substantial period of time;

(f) that the applicant demonstrates cooperation with the local electricity distributor and other available sources of assistance to reduce energy costs to the maximum extent practicable, through conservation and load management; and

(g) that the allocation will not unduly affect the cost of electric service to customers of the local electricity distributor.
Memorandum

Date: July 26, 2022
To: THE TRUSTEES
From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER
Subject: Replacement Power Allocations

SUMMARY

The Trustees are requested to approve: (a) an allocation of 22,000 kilowatts (“kW”) of Replacement Power (“RP”) to Linde Inc. (“Linde”) to support the company’s proposed expansion at 4501 Royal Avenue, Niagara Falls (Niagara County); and (b) an allocation of 5,110 kilowatts (“kW”) of Replacement Power (“RP”) to Niacet Corporation (“Niacet”) to support the company’s proposed expansion at 400 47th Street, Niagara Falls (Niagara County). These projects are discussed in more detail below and in Exhibits “A” and “B”.

BACKGROUND

Under PAL §1005(13), the New York Power Authority (“NYPAA” or “Authority”) may contract to allocate 250 megawatts (“MW”) of firm hydroelectric power as Expansion Power (“EP”) and up to 445 MW of 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 business’ 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 RP allocations.
At this time, 18,615 kW of unallocated EP and 130,629 kW of unallocated RP is available to be awarded to businesses under the criteria set forth in PAL §1005(13)(a).

DISCUSSION

Linde Inc.

Linde is a global industrial gases and engineering company serving a wide range of industries including healthcare, electronics, and clean energy. The company’s industrial gases are used in applications such as providing oxygen to hospitals and specialty gases for electronics manufacturing. Linde also supports the clean energy sector through its hydrogen production capabilities.

Linde’s Niagara Falls plant produces industrial gases such as oxygen, argon, nitrogen, and hydrogen. The company is a current NYPA hydropower customer and its Niagara Falls facility receives 44,650 kW of RP and 1,950 kW of EP with associated commitments of 81 retained jobs and more than $656,000 in capital spending.

The company’s Niagara Falls plant is being considered for production of green hydrogen, a renewable energy source. This includes utilizing green hydrogen as fuel for vehicles, manufacturing energy efficient equipment, and reducing carbon emissions. The green hydrogen would be produced utilizing water and electrolysis.

The project would be available to help support the State’s transition to low and zero-carbon clean energy, thus helping to advance the Climate Leadership and Community Protection Act’s goal of reducing greenhouse gas emissions 85 percent by 2050. The expansion would also support New York State’s goal of becoming a Regional Clean Energy Hydrogen Hub under the federal Regional Clean Hydrogen Hubs program.

Linde’s application has been considered under the Green Jobs Evaluation Incentive Plan approved by the Trustees on December 9, 2020. The plan allows for the consideration of green jobs impacts when evaluating applications for NYPA power. Linde’s project meets the qualifying criteria as a green jobs company in New York State.

The company’s expansion project would involve a capital investment expenditure of at least $75 million. This includes new machinery and equipment purchases such as electrolyzes, transformers, and associated auxiliary materials.

Linde is planning to complete the project in 2024. The company would commit to the creation of 11 new, permanent, full-time jobs, while retaining 81 current jobs, at its Niagara Falls facility over the term of the allocation. Average annual compensation/benefits for the new jobs are estimated to be $139,000 per job.

The company applied for a 32,500 kW allocation of hydropower in connection with the expansion. Staff recommends an RP allocation in the amount of 22,000 kW for a term of ten years. If approved, the new allocation to Linde would be added to the customer’s existing hydropower contract. ST WNY-2 would also apply to the sale of the allocation.

The job creation ratio for the proposed allocation of 22,000 kW is 0.5 new jobs per MW. This ratio is below the historic average of 64 new jobs per MW based on allocations previously awarded. The total investment of at least $75 million would result in a capital investment ratio of $3.4 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 Linde.

**Niacet Corporation**

Niacet is a global chemical manufacturer of propionate and acetate salt preservatives for the pharmaceutical, food, feed, and technical industries. The company fills vital everyday needs and supports pathogen inhibition, antibiotic formulation, and preservation systems for meat and plant-based food products.

The company is a current NYPA hydropower customer and its Niagara Falls facility receives 2,640 kW of RP and 500 kW of EP with associated commitments of 92 retained jobs and $880,000 in capital spending.

The company is proposing to expand its production of diacetyl tartaric acid ester of monoglycerides (“DATEM”). The DATEM project would increase the production of emulsifiers which are used in baking to strengthen the gluten network in dough. The expansion would include modifying an existing manufacturing line to accommodate the amplified DATEM production.

The company is further proposing new construction and specialized equipment purchases to accommodate the production of multifunctional preservatives. Utilizing Next-Generation Drying Technology (“NxDT-1”), the project would support the production of acetate and propionate salt preservatives for coating and/or blending with various compounds such as acids, oils, and anti-caking agents to give them additional functionality. The NxDT-1 products would be used in baked goods as mold inhibitors and buffering agents.

Niacet’s application has been 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. The company’s project site meets the qualifying criteria due to its location in a disadvantaged community in New York State.

The company’s expansion project would involve a capital investment expenditure of at least $61.25 million. This includes construction costs (a capital investment expenditure of approximately $14.5 million), machinery and equipment purchases (a capital investment expenditure of approximately $27.95 million), design and planning costs (a capital investment expenditure of approximately $2.8 million), software and cloud computing costs (a capital investment expenditure of approximately $2.5 million), and startup costs and contingencies (a capital investment expenditure of approximately $13.5 million).

Niacet is planning to complete the project in 2024. The company would commit to the creation of 62 new, permanent, full-time jobs, while retaining 102 current jobs, at its Niagara Falls facility over the term of the allocation. Average annual compensation/benefits for the new jobs are estimated to be $93,000 per job.

The company applied for a 7,000 kW allocation of hydropower in connection with the expansion. Staff recommends an RP allocation in the amount of 5,110 kW for a term of ten years. If approved, the new allocation to Niacet would be added to the customer’s existing hydropower contract. ST WNY-2 would also apply to the sale of the allocation.
The job creation ratio for the proposed allocation of 5,110 kW is 12 new jobs per MW. This ratio is below the historic average of 64 new jobs per MW based on allocations previously awarded. The total investment of at least $61.25 million would result in a capital investment ratio of $12 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 Niacet.

CONTRACT INFORMATION

The following is a summary of some of the matters addressed in the contract with Linde, Niacet, and ST WNY-2:

- 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.

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 approve: (a) an allocation of 22,000 kW of RP to Linde as described herein and in Exhibit “A” for a term of ten years; and (b) approve an allocation of 5,110 kW of RP to Niacet as described herein and in Exhibit “B” for a term of ten years.

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 22,000 kilowatts of Replacement Power ("RP") be awarded to Linde Inc. for a term of 10 years for use at the company's Niagara Falls, New York facility as detailed in the foregoing memorandum of the Interim President and Chief Executive Officer ("Memorandum"), be and hereby is approved, subject to rates previously approved by the Trustees; and be it further

RESOLVED, That an allocation of 5,110 kilowatts of RP be awarded to Niacet Corporation for a term of 10 years for use at the company's Niagara Falls, New York facility as detailed in the foregoing Memorandum, be and hereby is approved, subject to rates previously approved by the Trustees; 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
Replacement Power (“RP”)

Company: Linde Inc. (“Linde”)
Location: Niagara Falls, NY
County: Niagara County
IOU: National Grid

Business Activity: The company is a manufacturer of industrial gases serving a wide range of industries including healthcare, electronics, and clean energy.

Project Description: Linde’s Niagara Falls plant is being considered for the production of green hydrogen, a renewable energy source.

Existing Allocation(s): 44,650 kW of RP and 1,950 kW of Expansion Power

Power Request: 32,500 kW of RP

Power Recommended: 22,000 kW of RP

Job Commitment:
Base: 81
New: At least 11 jobs

New Jobs/Power Ratio: 0.5 jobs/MW

New Jobs - Avg. Wage and Benefits: $139,000

Capital Investment: At least $75 million

Capital Investment/MW: $3.4 million/MW

Other ED Incentives: The company would receive $2 million from Empire State Development via the Excelsior Jobs Program.

Summary: Linde’s Niagara Falls facility is being considered for the production of green hydrogen. The company is a long-time NYPA customer.

Green hydrogen produced at the project site would be available to help support the State’s transition to low and zero-carbon clean energy, thus helping to support the Climate Leadership and Community Protection Act’s goal of reducing greenhouse gas emissions 85 percent by 2050. The expansion would also support New York State’s goal of becoming a Regional Clean Energy Hydrogen Hub under the federal Regional Clean Hydrogen Hubs program.

An allocation of low-cost hydropower, along with other state support offered for this project, could incentivize Linde to consider additional green hydrogen production opportunities at its Niagara Falls facility in the future.
**APPLICATION SUMMARY**
Replacement Power ("RP")

**Company:** Niacet Corporation ("Niacet")

**Location:** Niagara Falls, NY

**County:** Niagara County

**IOU:** National Grid

**Business Activity:** The company is a global chemical manufacturer of propionate and acetate salt preservatives serving the pharmaceutical, food, feed, and technical industries.

**Project Description:** Niacet is proposing to expand its production of diacetyl tartaric acid ester of monoglycerides ("DATEM"). In addition, the company is proposing new construction and specialized equipment purchases to accommodate the production of multifunctional preservatives utilizing Next-Generation Drying Technology ("NxDT-1").

**Existing Allocation(s):** 2,640 kW of RP and 500 kW of Expansion Power

**Power Request:** 7,000 kW of RP

**Power Recommended:** 5,110 kW of RP

**Job Commitment:**
- **Base:** 102
- **New:** At least 62 jobs

**New Jobs/Power Ratio:** 12 jobs/MW

**New Jobs - Avg. Wage and Benefits:** $93,000

**Capital Investment:** At least $61.25 million

**Capital Investment/MW:** $12 million/MW

**Other ED Incentives:** The company is pursuing incentives from Empire State Development and the Niagara County Center for Economic Development.

**Summary:** Niacet is proposing to expand its DATEM production while commencing a new project (NxDT-1) to produce multifunctional preservatives. The DATEM project would increase the production of emulsifiers which strengthen the gluten network in dough. The NxDT-1 project would support the production of acetate and propionate salt preservatives for coating and/or blending with various compounds to serve as mold inhibitors and buffering agents.

The company is a long-time NYPA customer and its application has been considered under the Diversity, Equity, and Inclusion (DEI) Evaluation & Incentive Plan as its project site is located within a disadvantaged community. An allocation of low-cost hydropower, along with other state support offered for this project, could incentivize Niacet to consider additional expansion opportunities at its Niagara Falls facility in the future.
The Trustees are requested to:

(a) authorize the extension of the 22 allocations of Recharge New York ("RNY") Power awarded to the businesses listed in Exhibit “A” as described below for a term of 7 years, to commence on the expiration of each such allocation, or in the Authority’s discretion, 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 customer whose allocation would be extended would have to agree to provide supplemental commitments for, among other things, jobs and capital investments, as it has in its current RNY Power agreement(s) with the Authority (collectively, “Current RNY Power Agreement”) for the length of any Extended Term, through the incorporation of such supplemental commitments in the proposed final contract that is executed by the parties. With respect to capital investments, the vast majority of RNY Power customers (i.e., those who do not have project/expansion capital investment commitments) would be expected to meet a minimum capital investment commitment;

(b) approve modifications related to the previously approved RNY Power allocations and/or related supplemental commitments for the customers listed in Exhibit “B”;

(c) award new allocations of RNY Power available for “retention” purposes to the businesses listed in Exhibit “C” in the amounts indicated therein;

(d) award new allocations of RNY Power available for “expansion” purposes to the businesses listed in Exhibit “D” in the amounts indicated therein; and

(e) award new allocations of RNY Power available for eligible small businesses and/or not-for-profit corporations to the entities listed in Exhibit “E” in the amounts indicated therein.

The sale of any extended or new allocation as proposed herein would be governed by the form of the RNY Power contract that was approved by the Trustees on March 26, 2019, and existing Authority Service Tariff RNY-1.

All the above actions have been recommended by the Economic Development Power Allocation Board (“EDPAB”) at its July 25, 2022 meeting.

BACKGROUND

On April 14, 2011, the RNY Power Program was signed into law as part of Chapter 60 (Part CC) of the Laws of 2011. The RNY Power Program is codified primarily in Economic
Development Law ("EDL") § 188-a and Public Authorities Law § 1005(13-a) (the "RNY Statutes"). The program makes available 910 megawatts ("MW") of "RNY Power," 50% of which will be provided by certain Authority hydropower resources and 50% of which will be procured by the Authority from other sources. RNY Power contracts can be for a term of up to 7 years in exchange for job and capital investment commitments. RNY Power is available to businesses and not-for-profit corporations for job retention and business expansion and attraction.

As part of New York State’s initiative to foster business activity and streamline economic development, applications for all statewide economic development programs, including the RNY Power Program, have been incorporated into a single online Consolidated Funding Application ("CFA") marking a fundamental shift in how State economic development resources are marketed and allocated. Beginning in September 2011, the CFA was available to applicants. The CFA continues to serve as an efficient and effective tool to streamline and expedite the State’s efforts to generate sustainable economic growth and employment opportunities. All applications that are considered for an RNY Power allocation are submitted through the CFA process.

RNY Power is available to businesses and not-for-profit corporations for job retention and business expansion and attraction purposes. Specifically, Chapter 60 provides that at least 350 MW of RNY Power shall be dedicated to facilities in the service territories served by the New York State Electric and Gas, National Grid, and Rochester Gas and Electric utility companies; and at least 200 MW of RNY Power shall be dedicated to the purpose of attracting new businesses and encouraging expansion of existing businesses statewide. In July 2021, legislation was enacted increasing the dedicated amount of RNY Power from 100 MW to no more than 150 MW for eligible not-for-profit corporations and eligible small businesses statewide.

"Eligible applicant" is defined by statute to mean an eligible business, eligible small business, or eligible not-for-profit corporation, however, an eligible applicant shall not include retail businesses as defined by EDPAB, including, without limitation, sports venues, gaming or entertainment-related establishments or places of overnight accommodations.

RNY Power allocation awards are comprised of 50% hydropower and 50% Authority-procured market power. Prior to entering into a contract with an eligible applicant for the sale of RNY power, and prior to the provision of electric service relating to the RNY power allocation, the Authority shall offer each eligible applicant the option to decline to purchase the RNY market power component of such allocation. If an eligible applicant declines to purchase the RNY market power component, the Authority has no responsibility for supplying such market power to the eligible applicant.

Under applicable law, applications for RNY Power are first considered by EDPAB. EDPAB is authorized to recommend applicants to the Authority’s Trustees that it believes should receive an award of RNY Power based on applicable statutory criteria and other pertinent considerations. The criteria provided for in the RNY Statutes are summarized in Exhibit "H" to this memorandum. An allocation recommended by EDPAB qualifies the subject applicant to enter a contract with the Authority for the purchase of the RNY Power if the Authority makes an allocation award.

In arriving at recommendations for EDPAB’s consideration, Staff, among other things, attempted to maximize the economic benefits of low-cost NYPA hydropower, the critical state asset at the core of the RNY Power Program, while attempting to ensure that each recipient receives a meaningful RNY Power allocation.

Unless otherwise noted in Exhibits “C”, “D”, and “E” (recommendations for new RNY Power allocations), new business applicants with relatively high scores were recommended for
allocations of retention RNY Power of 50% of the requested amount or average historic demand, whichever was lower. These allocations were capped at 10 MW for any recommended allocation. Not-for-profit corporation applicants that score relatively high are typically recommended for allocations of 33% of the requested amount or average historic demand, whichever is lower. These allocations are capped at 5 MW. Applicants currently receiving hydropower allocations under other Authority power programs are typically recommended for allocations of RNY Power of 25% of the requested amount, subject to the caps as stated above.

RNY Power allocation extensions have been awarded by the Trustees on fourteen prior occasions spanning from October 2018 through March 2022. These recommendations pertain to existing RNY Power customers receiving an Extended Term of 7 years.

RNY Power allocations pertaining to new applicants have been awarded by the Trustees on thirty-four prior occasions spanning from April 2012 through March 2022. Currently, approximately 18 MW of RNY Power is unallocated. This figure reflects Trustee actions taken on RNY Power applications prior to any actions the Trustees take today. If today’s recommendations are approved by the Trustees, it is anticipated that approximately 10 MW of RNY Power will remain unallocated.

EDPAB, at its meeting held on July 25, 2022, recommended that:

(a) the Trustees approve extensions for the 22 RNY Power allocations that are listed in Exhibit “A” for a term of 7 years;

(b) the Trustees approve the modifications related to the RNY Power allocations and/or supplemental commitments listed in Exhibit “B” for the reasons discussed in Exhibit B; and

(c) each of the applicants identified in Exhibits “C”, “D”, and “E” be awarded an RNY Power allocation in the amount indicated for a term of 7 years.¹

Applications for new RNY Power allocations have been considered, where applicable, under NYPA’s Green Jobs Evaluation Incentive Plan and the Diversity, Equity, and Inclusion (“DEI”) Evaluation and Incentive Plan. These plans were approved by the Trustees on December 9, 2020 and December 7, 2021, respectively.

Consistent with the RNY Statutes, EDPAB recommended that the contracts for the sale of extended and new allocations contain:

(1) provisions for effective periodic audits of the recipient of an allocation for the purpose of determining contract and program compliance, and for the partial or complete withdrawal of an allocation if the recipient fails to maintain commitments, relating to such things as employment levels, power utilization, capital investments, and/or energy efficiency measures;

(2) requirements for an agreement by the recipient of an allocation undertake at its own expense an energy audit of its facilities at which the allocation is consumed modified by the Authority on a showing of good cause by the recipient, and that the recipient

¹ EDPAB determined to not recommend the applicant listed in Exhibit “F” for an RNY Power allocation for the reasons discussed in Exhibit “F”. EDPAB also terminated the application review process for the applicants listed in Exhibit “G” for the reasons discussed in Exhibit “G”. No action is required by the Trustees on these matters.
provide the Authority with a copy of any such audit or a report describing the results of such audit;
(3) a requirement for an agreement by the recipient of an allocation to make its facilities available at reasonable times and intervals for energy audits and related assessments that the Authority desires to perform; and
(4) a recommendation shall require that if the actual metered load at the facility where the allocation is utilized is less than the allocation, such allocation will be reduced accordingly.

The sale of RNY Power allocations that are awarded by the Trustees today would be governed by the form of RNY Power contract that was approved by the Trustees on March 26, 2019, and Authority Service Tariff RNY-1. The terms and conditions in the RNY Power contract form are consistent with the terms and conditions recommended by EDPAB as described above.

DISCUSSION

1. Extension of Existing RNY Power Allocations

For the current round of recommendations, Authority Staff has reviewed applications from 22 RNY Power customers listed in Exhibit “A” who are seeking extensions, and a copy of each application has been made available to the Board. Staff’s review has consisted of a review on a customer-specific basis of such issues as the amount of each allocation that would be extended, the supplemental commitments that these customers have made under their Current RNY Power Agreement and are prepared to make as consideration for an extension, and the customer’s compliance status under its Current RNY Power Agreement, including its compliance with supplemental commitments for jobs and capital investments.

In summary, the businesses listed in Exhibit “A” which are located throughout the State bring valuable benefits to the State. In total, the allocations listed in Exhibit “A” are supporting the retention of nearly 3,500 jobs and more than $95 million in capital investments throughout New York State, and the Authority will require customers to commit to the same or substantially similar supplemental commitments for jobs and capital investments that are summarized in Exhibit “A” for the Extended Term.

Based on the foregoing discussion and EDPAB’s recommendations, Staff recommends that the Trustees extend the allocations listed in Exhibit “A” as described above and in Exhibit “A” subject to the following conditions:

(a) The sale of any allocation extended as proposed herein will be governed by the RNY Power contract form that was approved by the Trustees on March 26, 2019, and Authority Service Tariff RNY-1.

(b) In order to receive an extension of its allocation, the customer must agree, for the Extended Term, to provide the supplemental commitments for jobs and capital investments that are the same or substantially similar to those that are summarized generally in Exhibit “A” (subject to adjustments described above), through the incorporation of such supplemental commitments in the final contract that is executed by the parties. With respect to capital investments, RNY Power customers who do not have current project/expansion capital investment commitments would be expected to meet a minimum capital investment commitment which may be satisfied through capital expenditures made over a five-year period.
(c) Unless otherwise noted in Exhibit "A", the customer is in compliance with its contractual obligations to the Authority under its Current RNY Power Agreement.

Staff believes that an extension of each allocation listed in Exhibit “A” is appropriate and is consistent with the applicable statutory criteria listed in Exhibit “H”. In addition, the terms and conditions in the RNY Power contract form approved by the Trustees on March 26, 2019 are consistent with the terms and conditions recommended by EDPAB.

2. Modifications to Existing Allocations, Extensions, and/or Related Supplemental Commitments

At its meeting held on July 25, 2022, EDPAB recommended that the Trustees approve modifications relating to the previously-approved RNY Power allocations and/or related supplemental commitments listed in Exhibit “B” for the reasons presented below. If approved, these modifications would be implemented accordingly in the customers’ power contracts.

GUSC Energy Inc. (“GUSC”) was previously approved for an expansion-based RNY Power allocation in the amount of 980 kilowatts (“kW) with commitments of 5,120 retained jobs, 200 new jobs, and $70 million in capital spending. Prior to the expansion award approval, GUSC has been utilizing a retention-based RNY Power award of 6,730 kW for several years. The company operates a business and technology park in Rome (Oneida County) and the more recent expansion award is associated with the power needs of a new tenant, Orgill, Inc. which is proposing to create a distribution center within the campus. Since the expansion award is solely associated with one tenant, the Trustees are requested to modify the customer’s job commitment for the expansion allocation to reflect a total of 200 new jobs. The retention award would remain with a commitment of 5,120 retained jobs.

Sevirol Foods, Inc. was previously approved for an expansion-based RNY Power allocation in the amount of 1,030 kW with commitments of 15 new jobs and $1 million in capital spending. The expansion award is associated with the company’s proposal to establish a new manufacturing facility in Hauppauge (Suffolk County). In recent communications with the customer, it was determined that the company underestimated its original requested electric demand for the new facility. For this reason, the Trustees are requested to approve a modification to the expansion-based RNY Power allocation to 1,500 kW. The employment and capital investment commitments would remain unchanged.

Columbia University in the City of New York was previously approved for a retention-based RNY Power allocation in the amount of 3,776 kW with commitments of 10,520 retained jobs and $25 million in capital spending. The allocation is associated with the Columbia University Irving Medical Center campus. The organization has since indicated it would like to allocate portions of its RNY Power allocation to additional facilities/accounts not specifically listed in its application as facilities to receive power. For this reason, the Trustees are requested to authorize a modification to the customer’s power contract to include the additional facilities/accounts. Staff has reviewed these requests and is recommending that the Trustees accept EDPAB’s recommendations and approve each of the modifications described above.

3. Retention-Based RNY Power Allocations

The Trustees are asked to address applications submitted via the CFA process for RNY Power retention-based allocations. Unless otherwise indicated in Exhibit “C”, these applications seek an RNY Power allocation for job retention purposes only.

Consistent with the evaluation process as described above, EDPAB recommended, at its July 25, 2022 meeting, that RNY Power retention allocations be awarded to the businesses
listed in Exhibit “C.” Each business has committed to retain jobs in New York State and to make capital investments at their facilities in exchange for the recommended RNY Power allocations.

Staff recommends that the Trustees accept EDPAB’s recommendations and award RNY Power allocations to each of the businesses listed in Exhibit “C” in the amounts and terms indicated therein.

4. Expansion-Based RNY Power Allocations

The Trustees are also asked to address applications requesting RNY Power allocations for expansion purposes. Allocations for this purpose would be sourced from the 200 MW block of RNY Power dedicated by statute for “for-profit” businesses that propose to expand existing businesses or create new business in the State. Unless otherwise indicated in Exhibit “D”, these applications seek an RNY Power allocation to support expansion of an existing business or a new business/facility. EDPAB recommended, at its July 25, 2022 meeting, that RNY Power expansion-based allocations be made to the businesses listed in Exhibit “D.” Each such allocation would be for a term of 7 years unless otherwise indicated.

As with the evaluation process used for the retention recommendations described above, applications for the expansion-based RNY Power were scored based on the statutory criteria, albeit with a focus on information regarding each applicants’ specific project to expand or create their new facility or business (e.g., the expansion project’s cost, associated job creation, and new electric load due to the expansion).

The proposed amounts of the expansion-based allocations listed in Exhibit “D” are largely intended to provide approximately 70% of the individual expansion projects’ estimated new electric load. Because these projects have estimated new electric load amounts, and to ensure that an applicant’s overestimation of the amount needed would not cause that applicant to receive a higher proportion of RNY Power to new load, the allocations in Exhibit “D” are recommended based on an “up to” amount basis. Each of these applicants would be required to, among other commitments, add the new electric load as stated in its application, and would be allowed to use up to the amount of their RNY Power allocation in the same proportion of the RNY Power allocation to requested load as stated in Exhibit “D.”

Staff recommends that the Trustees accept EDPAB’s recommendations and award RNY Power allocations to each of the businesses listed in Exhibit “D” in the amounts indicated therein.

5. Small Business and/or Not-for-Profit-Based RNY Power Allocations

The Trustees are also asked to address applications for RNY Power for eligible small businesses and/or not-for-profit corporations.

Consistent with the evaluation process described above, EDPAB recommended, at its July 25, 2022 meeting, that RNY Power allocations be awarded to the small businesses and/or not-for-profit applicants listed in Exhibit “E.” These applicants have committed to retain or create jobs in New York State and make capital investments to the extent indicated in Exhibit “E” in exchange for the recommended RNY Power allocations as described in Exhibit “E.” The RNY Power allocations identified in Exhibit “E” are recommended for a term of 7 years unless otherwise indicated.

Staff recommends that the Trustees accept EDPAB’s recommendations and award RNY Power allocations to each of the not-for-profit entities and/or small businesses listed in Exhibit “E” in the amounts indicated therein.
6. **Applicants Not Recommended**

At its meeting on July 25, 2022, EDPAB determined to not recommend the applicant listed in Exhibit “F” for an RNY Power allocation for the reasons listed in Exhibit “F”. No action by the Trustees is required on this matter.

7. **Termination of Application/Review Process**

At its meeting on July 25, 2022, EDPAB terminated the application review process for the applicants listed in Exhibit “G” for the reasons listed in Exhibit “G”. No action by the Trustees is required on this matter. In the past, some applicants in these circumstances have refiled if able to advance a more complete RNY Power application.

**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 accept the recommendations of EDPAB and:

1. authorize the extension of each of the existing 22 allocations of RNY Power in the manner described above for the customers listed in Exhibit “A” for a term of 7 years to commence on the expiration of the allocation, or commencing on a date to be agreed upon by the parties for a term not to exceed 7 years, subject to the conditions described above;

2. approve the modifications related to the RNY Power allocations and/or related supplemental commitments described in Exhibit “B” for the reasons discussed above and in Exhibit “B”;

3. award the new allocations of RNY Power for retention purposes to the businesses listed in Exhibit “C” as indicated therein;

4. award the new allocations of RNY Power for expansion purposes to the businesses listed in Exhibit “D” as indicated therein; and

5. award the new allocations of RNY Power to the small business and/or not-for-profit applicants identified in Exhibit “E” for retention and/or expansion purposes as indicated therein.

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
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 22 Recharge New York (“RNY”) Power allocations previously awarded in the manner described in the accompanying memorandum of the Interim President and Chief Executive Officer (“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 the recommendations (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 allocations and/or related
supplemental commitments described in the Memorandum for the reasons indicated in the Memorandum; 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 for the reasons indicated in the Memorandum; 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 for the reasons indicated in the Memorandum; 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 for the reasons indicated in the Memorandum; 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.
## Retention-Based Allocations

<table>
<thead>
<tr>
<th>Line</th>
<th>Company</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>IOU</th>
<th>Description</th>
<th>Current kW Amount</th>
<th>Recommended kW Amount</th>
<th>Job Commitments</th>
<th>Capital Investment Commitment ($)</th>
<th>Contract Term (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hanes Supply, Inc.</td>
<td>Albany</td>
<td>Albany</td>
<td>Capital District</td>
<td>NGRID</td>
<td>Manufacturer of lifting ropes &amp; cables</td>
<td>26</td>
<td>26</td>
<td>15</td>
<td>$80,000</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td><strong>Capital District Region Sub-totals:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>WMT Precision, LLC</td>
<td>Auburn</td>
<td>Cayuga</td>
<td>Central New York</td>
<td>NYSEG</td>
<td>Manufacturer of machined components</td>
<td>80</td>
<td>80</td>
<td>15</td>
<td>$150,000</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td><strong>Central New York Region Sub-totals:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Alsco Inc.</td>
<td>Rochester</td>
<td>Monroe</td>
<td>Finger Lakes</td>
<td>RGE</td>
<td>Supplier of industrial uniforms</td>
<td>270</td>
<td>270</td>
<td>140</td>
<td>$4,000,000</td>
<td>(1)</td>
</tr>
<tr>
<td>4</td>
<td>Creative Food Ingredients, Inc.</td>
<td>Perry</td>
<td>Wyoming</td>
<td>Finger Lakes</td>
<td>NYSEG</td>
<td>Commercial bakery for cookie products</td>
<td>256</td>
<td>256</td>
<td>230</td>
<td>$500,000</td>
<td>7</td>
</tr>
<tr>
<td>5</td>
<td>Hanes Supply, Inc.</td>
<td>Rochester</td>
<td>Monroe</td>
<td>Finger Lakes</td>
<td>RGE</td>
<td>Manufacturer of lifting ropes &amp; cables</td>
<td>36</td>
<td>36</td>
<td>30</td>
<td>$160,000</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td><strong>Finger Lakes Region Sub-totals:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>562</td>
<td>562</td>
<td>400</td>
<td>$4,660,000</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Beach Terrace Care Center, Inc.</td>
<td>Long Beach</td>
<td>Nassau</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Rehabilitation &amp; nursing center</td>
<td>56</td>
<td>56</td>
<td>128</td>
<td>$350,000</td>
<td>7</td>
</tr>
<tr>
<td>7</td>
<td>Berry Specialty Tapes, LLC</td>
<td>Riverhead</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Manufacturer of tapes &amp; adhesive products</td>
<td>366</td>
<td>366</td>
<td>108</td>
<td>$1,000,000</td>
<td>7</td>
</tr>
<tr>
<td>8</td>
<td>Crescent Duck Farm, Inc.</td>
<td>Aquebogue</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Duck farm &amp; poultry processing</td>
<td>140</td>
<td>140</td>
<td>73</td>
<td>$250,000</td>
<td>7</td>
</tr>
<tr>
<td>9</td>
<td>E B Industries, LLC</td>
<td>Farmingdale</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Electron &amp; laser beam welding services</td>
<td>46</td>
<td>46</td>
<td>38</td>
<td>$500,000</td>
<td>7</td>
</tr>
<tr>
<td>10</td>
<td>East/West Industries, Inc.</td>
<td>Ronkonkoma</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Manufacturer of aircraft safety products</td>
<td>46</td>
<td>46</td>
<td>84</td>
<td>$100,000</td>
<td>7</td>
</tr>
<tr>
<td>11</td>
<td>Grandell Rehabilitation and Nursing Center, Inc.</td>
<td>Long Beach</td>
<td>Nassau</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Rehabilitation &amp; nursing center</td>
<td>90</td>
<td>90</td>
<td>193</td>
<td>$2,000,000</td>
<td>7</td>
</tr>
<tr>
<td>12</td>
<td>Karp Associates Inc.</td>
<td>Melville</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Manufacturer of access doors &amp; partitions</td>
<td>290</td>
<td>290</td>
<td>125</td>
<td>$500,000</td>
<td>7</td>
</tr>
<tr>
<td>13</td>
<td>Oceanside Care Center, Inc.</td>
<td>Oceanside</td>
<td>Nassau</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Rehabilitation &amp; nursing center</td>
<td>56</td>
<td>56</td>
<td>81</td>
<td>$300,000</td>
<td>7</td>
</tr>
<tr>
<td>14</td>
<td>Precision Metals Corp.</td>
<td>Bay Shore</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Manufacturer of machined metal parts</td>
<td>46</td>
<td>46</td>
<td>44</td>
<td>$330,000</td>
<td>7</td>
</tr>
<tr>
<td>15</td>
<td>Queens Nassau Nursing Home, Inc.</td>
<td>Far Rockaway</td>
<td>Queens</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Rehabilitation and nursing center</td>
<td>160</td>
<td>160</td>
<td>163</td>
<td>$500,000</td>
<td>7</td>
</tr>
</tbody>
</table>
## Retention-Based Allocations

<table>
<thead>
<tr>
<th>Line</th>
<th>Company</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>IOU</th>
<th>Description</th>
<th>Current kW Amount</th>
<th>Recommended kW Amount</th>
<th>Job Commitments</th>
<th>Capital Investment Commitment ($)</th>
<th>Contract Term (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>Richner Communications, Inc.</td>
<td>Garden City</td>
<td>Nassau</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Publisher of community newspapers</td>
<td>120</td>
<td>120</td>
<td>103</td>
<td>$100,000</td>
<td>(1) 7</td>
</tr>
</tbody>
</table>

**Long Island Region Sub-totals:**

|       |                                |              |              |                            |       |                                  | 1,416             | 1,416                 | 1,140             | $5,930,000                   |                      |

| 17   | Precision Gear Industries LLC   | College Point| Queens       | New York City              | CONED | Manufacturer of aerospace products | 240               | 240                   | 141               | $1,000,000                   | 7                   |

**New York City Region Sub-totals:**

|       |                                |              |              |                            |       |                                  | 240               | 240                   | 141               | $1,000,000                   |                      |

| 18   | Nova Bus (US) Inc.             | Plattsburgh  | Clinton      | North Country              | NYSEG | Manufacturer of transit buses     | 90                | 90                    | 274               | $4,500,000                   | (2) 7                |

**North Country Region Sub-totals:**

|       |                                |              |              |                            |       |                                  | 90                | 90                    | 274               | $4,500,000                   |                      |

| 19   | BAE Systems Controls Inc.      | Endicott     | Broome       | Southern Tier              | NYSEG | Flight controls & avionic solutions | 1,850             | 1,850                 | 1,388             | $78,000,000                  | 7                   |

**Southern Tier Region Sub-totals:**

|       |                                |              |              |                            |       |                                  | 1,850             | 1,850                 | 1,388             | $78,000,000                  |                      |

| 20   | Engineered Lifting Technologies, Inc. | Orchard Park  | Erie         | Western New York | NYSEG | Manufacturer of custom lifting products | 40                | 40                    | 13                | $10,000                      | (1) 7                |

| 21   | Hanes Supply, Inc.             | Buffalo      | Erie         | Western New York        | NGRID | Manufacturer of lifting ropes & cables | 46                | 46                    | 80                | $400,000                     | 7                   |

| 22   | Surmet Ceramics Corporation    | Buffalo      | Erie         | Western New York        | NGRID | Manufacturer of transparent armor products | 250               | 250                   | 14                | $500,000                     | 7                   |

**Western New York Region Sub-totals:**

|       |                                |              |              |                            |       |                                  | 336               | 336                   | 107               | $910,000                     |                      |

**Totals**

|          |                                |              |              |                            |       |                                  | 4,600             | 4,600                 | 3,480             | $95,230,000                  |                      |

(1) The company's extension-related job commitment is below the evaluation threshold as compared to its original employment commitment. However, at this time, a reduction to the extension kW amount is not being recommended.

(2) The recommendation and associated commitments will apply to multiple facilities/addresses. This configuration will be implemented accordingly in the customer's power contract.
<table>
<thead>
<tr>
<th>Line</th>
<th>Company</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>IOU</th>
<th>Description</th>
<th>Recommended kW Amount</th>
<th>Final Job Commitments</th>
<th>Final Capital Investment Commitment ($)</th>
<th>Contract Term (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>GUSC Energy Inc.</td>
<td>Rome</td>
<td>Oneida</td>
<td>Mohawk Valley</td>
<td>NGRID</td>
<td>Business and technology park</td>
<td>980</td>
<td>200</td>
<td>$70,000,000</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>Seviroli Foods, Inc.</td>
<td>Hauppauge</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Manufacturer of pasta specialties</td>
<td>1,500</td>
<td>15</td>
<td>$1,000,000</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>The Trustees of Columbia University in the City of New York</td>
<td>New York</td>
<td>New York</td>
<td>New York City</td>
<td>CONED</td>
<td>Academic medical center</td>
<td>3,776</td>
<td>10,520</td>
<td>$25,000,000</td>
<td>7</td>
</tr>
<tr>
<td>Line</td>
<td>Company</td>
<td>City</td>
<td>County</td>
<td>Economic Development Region</td>
<td>IOU</td>
<td>Description</td>
<td>kW Request</td>
<td>kW Recommendation</td>
<td>Jobs Retained</td>
<td>Jobs Created</td>
</tr>
<tr>
<td>------</td>
<td>---------------------------------------------</td>
<td>---------------</td>
<td>--------</td>
<td>-----------------------------</td>
<td>-------</td>
<td>-------------------------------------------------------</td>
<td>------------</td>
<td>-------------------</td>
<td>---------------</td>
<td>--------------</td>
</tr>
<tr>
<td>1</td>
<td>Ducommun Aerostructures New York, Inc.</td>
<td>Coxsackie</td>
<td>Greene</td>
<td>Capital District</td>
<td>CHUD</td>
<td>Manufacturer of aerostructure components</td>
<td>2,501</td>
<td>1,250</td>
<td>270</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>Hexion Inc.</td>
<td>South Glens Falls</td>
<td>Saratoga</td>
<td>Capital District</td>
<td>NGRID</td>
<td>Manufacturer of formaldehyde blends</td>
<td>851</td>
<td>426</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Capital District Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,676</td>
<td>280</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>Empire Polymer Solutions, LLC</td>
<td>Baldwinsville</td>
<td>Onondaga</td>
<td>Central New York</td>
<td>NGRID</td>
<td>Processing of recycled plastic for manufacturing</td>
<td>404</td>
<td>260</td>
<td>20</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Central New York Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>260</td>
<td>20</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>Great Northern Fibers, LLC</td>
<td>West Babylon</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Waste management &amp; recycling solutions</td>
<td>403</td>
<td>260</td>
<td>40</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Long Island Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>260</td>
<td>40</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>Semiconductor Components Industries, LLC</td>
<td>Hopewell Junction</td>
<td>Dutchess</td>
<td>Mid-Hudson</td>
<td>CHUD</td>
<td>Manufacturer of semiconductor products</td>
<td>49,980</td>
<td>10,000</td>
<td>961</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Mid-Hudson Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12,196</td>
<td>340</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

(1) This company is also recommended for an expansion-related allocation of RNY for separate and distinct job creation and capital investment commitments associated with the proposed business expansion.

(2) The recommendation and associated commitments will apply to multiple facilities/addresses. This configuration will be implemented accordingly in the customer's power contract.
<table>
<thead>
<tr>
<th>Line</th>
<th>Company</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>IOU</th>
<th>Description</th>
<th>kW Request</th>
<th>kW Recommendation (1)</th>
<th>Base Employment (2)</th>
<th>Job Creation Commitment</th>
<th>Project Capital Investment ($)</th>
<th>Contract Term (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>GLOBALFOUNDRIES U.S. Inc.</td>
<td>Malta</td>
<td>Saratoga</td>
<td>Capital District</td>
<td>NGRID</td>
<td>Manufacturer of semiconductor products</td>
<td>50,000</td>
<td>15,000</td>
<td>2,300</td>
<td>650</td>
<td>$7,000,000,000</td>
<td>(3) 7</td>
</tr>
<tr>
<td></td>
<td>Capital District Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15,000</td>
<td></td>
<td>0</td>
<td>650</td>
<td>$7,000,000,000</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Cayuga Milk Ingredients, LLC</td>
<td>Auburn</td>
<td>Cayuga</td>
<td>Central New York</td>
<td>NYSEG</td>
<td>Manufacturer of dairy products</td>
<td>1,431</td>
<td>1,000</td>
<td>94</td>
<td>34</td>
<td>$78,500,000</td>
<td>(3) 7</td>
</tr>
<tr>
<td>3</td>
<td>Empire Polymer Solutions, LLC</td>
<td>Baldwinsville</td>
<td>Onondaga</td>
<td>Central New York</td>
<td>NGRID</td>
<td>Processing of recycled plastic for manufacturing</td>
<td>1,500</td>
<td>1,276</td>
<td>20</td>
<td>32</td>
<td>$1,000,000</td>
<td>(4) 7</td>
</tr>
<tr>
<td></td>
<td>Central New York Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,276</td>
<td></td>
<td>5</td>
<td>66</td>
<td>$79,500,000</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Databank Holdings, Ltd.</td>
<td>Orangeburg</td>
<td>Rockland</td>
<td>Mid-Hudson</td>
<td>ONR</td>
<td>Data center &amp; information technology management</td>
<td>9,000</td>
<td>1,000</td>
<td>0</td>
<td>10</td>
<td>$83,400,000</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Mid-Hudson Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,000</td>
<td></td>
<td>0</td>
<td>10</td>
<td>$83,400,000</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Louisiana-Pacific Corporation</td>
<td>Bath</td>
<td>Steuben</td>
<td>Southern Tier</td>
<td>NYSEG</td>
<td>Manufacturer of building materials</td>
<td>1,100</td>
<td>770</td>
<td>0</td>
<td>50</td>
<td>$23,350,000</td>
<td>(5) 7</td>
</tr>
<tr>
<td></td>
<td>Southern Tier Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>770</td>
<td></td>
<td>0</td>
<td>50</td>
<td>$23,350,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>19,046</td>
<td></td>
<td>5</td>
<td>776</td>
<td>$7,186,250,000</td>
<td></td>
</tr>
</tbody>
</table>

(1) All expansion-based RNY Power allocations are recommended to be “up to” the amount indicated pending the applicant’s compliance with contractual commitments, including commitments relating to job creation, capital investment spending and power utilization.
(2) The number of new jobs committed will be above a base employment level specified in the power sale contract with the applicant.
(3) The applicant was previously approved for an RNY Power allocation. The base employment level refers to the applicant’s current retained jobs, most or all of which are already associated with an existing power allocation.
(4) This company is also being recommended for a retention-based RNY Power allocation associated with separate and distinct contractual commitments relating to such matters as job retention, capital investment spending, and power utilization associated with an existing business.
(5) The recommendation and associated commitments will apply to multiple facilities/addresses. This configuration will be implemented accordingly in the customer's power contract.
New York Power Authority  
Recommendations - RNY Power Allocations for Retention & Expansion Purposes (Small Business and/or NFP Corporations)  
July 26, 2022

Retention-Based Allocations

<table>
<thead>
<tr>
<th>Line</th>
<th>Company</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>IOU</th>
<th>Description</th>
<th>kW Request</th>
<th>kW Recommendation</th>
<th>Jobs Retained</th>
<th>Jobs Created</th>
<th>Capital Investment ($)</th>
<th>Contract Term (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The Public Broadcasting Council of Central New York, Inc.</td>
<td>Syracuse</td>
<td>Onondaga</td>
<td>Central New York</td>
<td>NGRID</td>
<td>Public television &amp; radio broadcasting</td>
<td>337</td>
<td>126</td>
<td>50</td>
<td>0</td>
<td>$650,000</td>
<td>(1) 7</td>
</tr>
<tr>
<td></td>
<td>Central New York Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>126</td>
<td>50</td>
<td>0</td>
<td>$650,000</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Astro Electroplating LLC</td>
<td>Bay Shore</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Manufacturer of metallic coatings</td>
<td>319</td>
<td>170</td>
<td>38</td>
<td>0</td>
<td>$250,000</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>Howe Machine &amp; Tool Corp.</td>
<td>Bethpage</td>
<td>Nassau</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Manufacturer of aircraft components</td>
<td>39</td>
<td>16</td>
<td>9</td>
<td>0</td>
<td>$250,000</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Long Island Ice and Fuel Corporation</td>
<td>Riverhead</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Ice distributor &amp; fuel services</td>
<td>330</td>
<td>106</td>
<td>22</td>
<td>0</td>
<td>$500,000</td>
<td>7</td>
</tr>
<tr>
<td>5</td>
<td>Maggio Environmental LLC</td>
<td>Yaphank</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Waste management &amp; recycling solutions</td>
<td>322</td>
<td>206</td>
<td>50</td>
<td>0</td>
<td>$500,000</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Panor Corp.</td>
<td>Hauppauge</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Manufacturer of LED lighting products</td>
<td>52</td>
<td>30</td>
<td>43</td>
<td>0</td>
<td>$100,000</td>
<td>7</td>
</tr>
<tr>
<td>7</td>
<td>Southold Recycling LLC</td>
<td>Cutchogue</td>
<td>Suffolk</td>
<td>Long Island</td>
<td>LIPA</td>
<td>Waste management &amp; recycling solutions</td>
<td>223</td>
<td>140</td>
<td>40</td>
<td>0</td>
<td>$500,000</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Long Island Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>668</td>
<td>202</td>
<td>0</td>
<td>7</td>
<td>$2,100,000</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Barnard College</td>
<td>New York</td>
<td>New York</td>
<td>New York City</td>
<td>CONED</td>
<td>Institution of higher education</td>
<td>1,319</td>
<td>436</td>
<td>925</td>
<td>0</td>
<td>$240,000,000</td>
<td>(4)</td>
</tr>
<tr>
<td>9</td>
<td>The New York and Presbyterian Hospital</td>
<td>New York</td>
<td>New York</td>
<td>New York City</td>
<td>CONED</td>
<td>Hospital &amp; healthcare services</td>
<td>1,361</td>
<td>450</td>
<td>1,133</td>
<td>0</td>
<td>$40,000,000</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>New York City Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>886</td>
<td>2,058</td>
<td>0</td>
<td>7</td>
<td>$280,000,000</td>
<td></td>
</tr>
</tbody>
</table>

Retention-Based Totals: 1,680 kW 2,310 Jobs $282,750,000

Expansion-Based Allocations

<table>
<thead>
<tr>
<th>Line</th>
<th>Company</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>IOU</th>
<th>Description</th>
<th>kW Request</th>
<th>kW Recommendation</th>
<th>Base Employment</th>
<th>Job Creation Commitment</th>
<th>Project Capital Investment ($)</th>
<th>Contract Term (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>The Public Broadcasting Council of Central New York, Inc.</td>
<td>Syracuse</td>
<td>Onondaga</td>
<td>Central New York</td>
<td>NGRID</td>
<td>Public television &amp; radio broadcasting</td>
<td>100</td>
<td>36</td>
<td>50</td>
<td>7</td>
<td>$350,000</td>
<td>(1), (3) 7</td>
</tr>
<tr>
<td></td>
<td>Central New York Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>36</td>
<td>0</td>
<td>7</td>
<td>$350,000</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Oliver Gear Inc.</td>
<td>Tonawanda</td>
<td>Erie</td>
<td>Western New York</td>
<td>NGRID</td>
<td>Manufacturer of precision metal components</td>
<td>240</td>
<td>130</td>
<td>38</td>
<td>4</td>
<td>$4,000,000</td>
<td>(5) 7</td>
</tr>
<tr>
<td></td>
<td>Western New York Region Sub-totals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>130</td>
<td>38</td>
<td>4</td>
<td>11</td>
<td>$4,000,000</td>
<td></td>
</tr>
</tbody>
</table>

Expansion-Based Totals: 166 kW 38 Jobs 11 $4,350,000

Retention & Expansion-Based Totals: 1,846 kW 2,348 Jobs $287,100,000
(1) The applicants are being recommended for both RNY retention and expansion-based allocations.
(2) All expansion-based RNY Power allocations are recommended to be “up to” the amount indicated pending the applicant’s compliance with contractual commitments, including commitments relating to job creation, capital investment spending, and power utilization.
(3) The number of new jobs committed will be above a base employment level specified in the applicant's retention-based allocation recommendation.
(4) The recommendation and associated commitments will apply to multiple facilities/addresses. This configuration will be implemented accordingly in the customer's power contract.
(5) The applicant is proposing to relocate its operations to a new facility while retaining its current employment level. The number of new jobs committed will be above the current base employment level.
<table>
<thead>
<tr>
<th>Line</th>
<th>Company</th>
<th>City</th>
<th>County</th>
<th>Economic Development Region</th>
<th>IOU</th>
<th>Description</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>United Nations</td>
<td>New York</td>
<td>New York</td>
<td>New York City</td>
<td>CONED</td>
<td>Intergovernmental organization</td>
<td>The applicant is unable to provide a contractual commitment on an employment level. Therefore, EDPAB determined to not recommend the applicant for a ReCharge New York Power allocation at this time. Based on this outcome, potential eligibility issues have not been considered at this time.</td>
</tr>
<tr>
<td>Line</td>
<td>Company</td>
<td>City</td>
<td>County</td>
<td>Economic Development Region</td>
<td>IOU</td>
<td>Description</td>
<td>Reason</td>
</tr>
<tr>
<td>------</td>
<td>----------------------</td>
<td>------------</td>
<td>--------</td>
<td>-----------------------------</td>
<td>-----</td>
<td>----------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>ProGameCo.</td>
<td>Rochester</td>
<td>Monroe</td>
<td>Finger Lakes</td>
<td>RGE</td>
<td>Software development services</td>
<td>Applicant has been unresponsive to requests by staff for additional information, preventing a complete analysis of the application.</td>
</tr>
<tr>
<td>2</td>
<td>Rivers LCSW PLLC</td>
<td>New York</td>
<td>New York City</td>
<td>New York City</td>
<td>CONED</td>
<td>Psychological counseling services</td>
<td>Applicant has been unresponsive to requests by staff for additional information, preventing a complete analysis of the application.</td>
</tr>
<tr>
<td>3</td>
<td>Stride and Strut, LLC</td>
<td>Brooklyn</td>
<td>Kings</td>
<td>New York City</td>
<td>CONED</td>
<td>Fine arts academy</td>
<td>Applicant has been unresponsive to requests by staff for additional information, preventing a complete analysis of the application.</td>
</tr>
<tr>
<td>4</td>
<td>Terry's Tips and Beef</td>
<td>Rochester</td>
<td>Monroe</td>
<td>Finger Lakes</td>
<td>RGE</td>
<td>Food trailer</td>
<td>Applicant has been unresponsive to requests by staff for additional information, preventing a complete analysis of the application.</td>
</tr>
<tr>
<td>Line</td>
<td>Criteria Description</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>----------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>The significance of the cost of electricity to the applicant's overall cost of doing business, and the impact that a Recharge New York power allocation will have on the applicant's operating costs;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>The extent to which a Recharge New York power allocation will result in new capital investment in the state by the applicant;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>The extent to which a Recharge New York power allocation is consistent with any regional economic development council strategies and priorities;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>The type and cost of buildings, equipment and facilities to be constructed, enlarged or installed if the applicant were to receive an allocation;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>The applicant's payroll, salaries, benefits and number of jobs at the facility for which a Recharge New York power allocation is requested;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>The number of jobs that will be created or retained within the state in relation to the requested Recharge New York power allocation, and the extent to which the applicant will agree to commit to creating or retaining such jobs as a condition to receiving a Recharge New York power allocation;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Whether the applicant, due to the cost of electricity, is at risk of closing or curtailing facilities or operations in the state, relocating facilities or operations out of the state, or losing a significant number of jobs in the state, in the absence of a Recharge New York power allocation;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>The significance of the applicant's facility that would receive the Recharge New York power allocation to the economy of the area in which such facility is located;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>The extent to which the applicant has invested in energy efficiency measures, will agree to participate in or perform energy audits of its facilities, will agree to participate in energy efficiency programs of the authority, or will commit to implement or otherwise make tangible investments in energy efficiency measures as a condition to receiving a Recharge New York power allocation;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Whether the applicant receives a hydroelectric power allocation or benefits supported by the sale of hydroelectric power under another program administered in whole or in part by the New York Power Authority;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>The extent to which a Recharge New York power allocation will result in an advantage for an applicant in relation to the applicant’s competitors within the state; and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>In addition to the foregoing criteria, in the case of a not-for-profit corporation, whether the applicant provides critical services or substantial benefits to the local community in which the facility for which the Recharge New York power allocation is requested is located.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Memorandum

Date: July 26, 2022

To: THE TRUSTEES

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: High Load Factor Power Allocation

SUMMARY

The Trustees are requested to:

1. Approve an allocation of 16,000 kilowatts (“kW”) of High Load Factor (“HLF”) Power to Air Products and Chemicals, Inc. (“Air Products”) to support the company’s proposed development of a green hydrogen production facility at the Massena Industrial Park, Massena (St. Lawrence County), New York.

2. Approve the contract (hereinafter, “Contract”) that would, along with Authority Service Tariff No. HLF-1 (“ST HLF-1”), apply to the sale of HLF Power to Air Products. Copies of the Contract and ST HLF-1 are attached as Exhibit “A”.

BACKGROUND

The Authority is authorized to allocate and sell HLF Power by the Power Authority Act, including Public Authorities Law (“PAL”) §1001 and §1005. The statute defines a high load factor manufacturer as “one which normally utilizes a minimum electric demand of five thousand kilowatts and which will normally utilize energy at the rate of approximately five hundred forty kilowatt hours per month for each kilowatt of demand and of which the cost of electricity normally represents at least seven and one-half percent of its total product value.” Since the closure of the Authority’s James A. Fitzpatrick nuclear power plant in or around approximately 2005, the Authority has sourced HLF Power from market sources.

DISCUSSION

Air Products is a global manufacturer of industrial gases and chemicals serving a wide range of industries including healthcare, technology, and clean energy. The company’s industrial gases are used in applications such as providing oxygen to hospitals and specialty gases for electronics manufacturing. The company’s facility in Medina (Orleans County) currently utilizes Authority hydropower under the Replacement Power program to support industrial gas production.

Air Products is also a leading producer/supplier of green hydrogen. Green hydrogen is produced utilizing water and electrolysis. It can be used as fuel for, among other things, vehicles and to support manufacturing processes, thereby reducing carbon emissions in these sectors.

Air Products is proposing to construct a new facility for green hydrogen production in the Massena Industrial Park. The facility would produce gaseous and liquid hydrogen. Air Products would begin construction on the project in 2023.
In June 2022, Air Products applied to the Authority for 120,000 kW of power to support the construction of a green hydrogen production facility in the Massena Industrial Park.

Air Products’ application has been considered under the Green Jobs Evaluation Incentive Plan approved by the Trustees on December 9, 2020. The plan allows for the consideration of green jobs impacts when evaluating applications for NYPA power. Air Products’ project meets the qualifying criteria as a green jobs company in New York State.

Staff is recommending that the Authority meet this need through a combination of HLF Power and Preservation Power. The recommended HLF allocation is discussed herein. Staff’s recommendation regarding Preservation Power is presented in a separate Board item. Regarding HLF Power, staff is recommending an allocation in the amount of 16 MW for a ten-year term.

The company’s green hydrogen production project would involve a capital investment expenditure of at least $550 million. This includes construction costs in addition to machinery and equipment purchases such as electrolyzes and compressors.

The company would also commit to the creation of 90 new, permanent, full-time jobs at the proposed Massena facility for a ten-year period. Average annual compensation and benefits for the new jobs are estimated to be $90,000 per job.

Green hydrogen produced at this new facility would be available to help support the State’s transition to low and zero-carbon clean energy, thus helping to advance the Climate Leadership and Community Protection Act’s goal of reducing greenhouse gas emissions 85 percent by 2050. The expansion would also support New York State’s goal of becoming a Regional Clean Energy Hydrogen Hub under the federal Regional Clean Hydrogen Hubs program.

**CONTRACT INFORMATION**

ST HLF-1 would apply to the sale of the HLF Power. The following is a summary of some of the matters addressed in the Contract and ST HLF-1:

- Monthly rates to be charged to the Customer for Firm Market Energy and Capacity will be based on the actual costs incurred by the Authority in each Billing Period.

- Recovery of all New York Independent System Operator (“NYISO”) related costs the Authority incurs in connection with provision of Electric Service and the Authority’s role as load serving entity for the Customer.

- The Customer will pay the Authority for unforced capacity the Authority supplies to meet the Customer’s NYISO requirements associated the allocation.

- The Contract provides for supplemental commitments by the Customer relating to job creation/retention, capital investment and power utilization. The Contract also includes compliance provisions that allow the Authority to reduce the HLF Power allocation for the customer’s failure to meet supplemental commitments.

- The Contract contains provisions for recovery of the Authority’s costs for actions taken to comply with the State Energy Plan and Clean Energy Standard, such as the purchase of
Zero Emission Credits and Renewable Energy Credits in amounts that correspond to the load served under the contract.

- The Authority will periodically communicate with the customer about energy-related projects, programs and services offered by the Authority.

- The term of the allocation is for up to ten years.

**FISCAL INFORMATION**

The Authority expects that HLF would be sourced from the market. The Contract and ST HLF-1 would provide for full cost recovery. 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 16,000 kW of HLF Power to Air Products as described herein for a term of ten years; and

2. Approve the Contract attached as Exhibit “A” for the sale of HLF Power to Air Products.

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
RESOLVED, That an allocation of 16,000 kilowatts ("kW") of High Load Factor ("HLF") Power be awarded to Air Products and Chemicals, Inc. for a term of 10 years as detailed in the foregoing Memorandum of the Interim President and Chief Executive Officer ("Memorandum"), be and hereby is approved, subject to Service Tariff No. HLF-1 previously approved by the Trustees; and be it further

RESOLVED, That the contract for the sale of HLF Power to Air Products and Chemicals, Inc., along with Service Tariff No. HLF-1, is hereby approved; 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.
POWER AUTHORITY

OF THE

STATE OF NEW YORK

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

AGREEMENT FOR THE SALE OF
HIGH LOAD FACTOR POWER

(Air Products and Chemicals, Inc.)
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 1 of Article 5 of the New York Public Authorities Law ("PAL"), with offices and principal place of business at 30 South Pearl Street, 10th Floor, Albany, New York 12207-3425 ("Authority"), hereby enters into this Agreement for the Sale of High Load Factor Power ("Agreement") with Air Products and Chemicals, Inc. ("Customer") having offices at 7201 Hamilton Boulevard, Allentown, Pennsylvania, 18195. The Authority and the Customer are from time to time referred to in this Agreement individually as a "Party" or collectively as the "Parties."

**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, appendices and/or exhibits to this Agreement shall have the meanings set forth in such schedules or appendices.

"Agreement" means this Agreement as further described in the preamble, including all schedules, appendices and other materials incorporated into the Agreement.

"Allocation" means the amount of High Load Factor Power allocated to the Customer that is specified in Schedule A.

"Billing Period" has the meaning set forth in Service Tariff No. HLF-1.

"Contract Demand" has the meaning set forth in Service Tariff No. HLF-1.

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

"Electric Service" is Firm Market Power and Firm Market Energy associated with the Allocation and sold to the Customer in accordance with the provisions of this Agreement, Service Tariff No. HLF-1 and the Rules.

"Eligible Entity" means a business entity that normally utilizes a minimum electric demand of 5,000 kW, that will normally utilize energy at the rate of approximately 540 kWh per month for each kW of demand, and for which the cost of electricity normally represents at least 7.5% of its total product value.

"Energy Services" has the meaning set forth in Article IX of this Agreement.

"Expansion Project" has the meaning set forth in Section VI.2 of this Agreement.

"Facility" means the Customer’s place of business specified in Schedule A to this Agreement that will receive or is receiving the Allocation.

"FERC" means the Federal Energy Regulatory Commission (or any successor organization).
“Firm Market Energy” has the meaning set forth in Service Tariff No. HLF-1.

“Firm Market Power” has the meaning set forth in Service Tariff No. HLF-1.

“High Load Factor Power” or “HLF Power” means high load factor power and energy that the Authority is authorized to allocate and sell under PAL § 1005, which for purposes of this Agreement consists of Firm Market Power and associated Firm Market Energy as further described herein and in Service Tariff No. HLF-1.

“Load Serving Entity” (or “LSE”) means an entity that provides capacity, energy and ancillary services to a consumer in compliance with NYISO Tariffs, rules, manuals and procedures.

“Local Electric Utility” means one or more local electric utilities that will be responsible for delivery of the Allocation to the Facility and/or whose transmission/delivery infrastructure will be used in connection with the delivery of the Allocation.

“Maximum Metered Demand” has the meaning specified in Schedule B of this Agreement.

“Metering Arrangement” has the meaning set forth in Section II.9 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, Inc. or any successor organization.

“NYISO Charges” has the meaning set forth in Service Tariff No. HLF-1.

“NYISO Tariffs” has the meaning set forth in Service Tariff No. HLF-1.

“Physical Energy 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 energy utilization 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.

“PSC” means the Public Service Commission of the State of New York.
“Reporting Period” has the meaning set forth in Section II.1 of Schedule B of this Agreement, subject to change without notice.

“Rules” refers to the Authority’s Rules and Regulations set forth in 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.

“Schedule A” refers to the Schedule A entitled “High Load Factor Power Allocations” which is attached to and made part of this Agreement.

“Schedule B” refers to the Schedule B entitled “HLF Power Supplemental Commitments” which, along with its attachments/appendices, is attached to and made part of the Agreement.

“Schedule C” refers to the Schedule C entitled “Takedown Schedule” which is attached to and made part of the Agreement.

“Schedule D” refers to the Schedule D entitled “Monthly Clean Energy Implementation Charge” which is attached to and made part of this Agreement.

“Service Information” has the meaning set forth in Section II.11 of this Agreement.

“Service Tariff No. HLF-1” or “Service Tariff” means the Authority’s Service Tariff No. HLF-1, issued on or about the Effective Date, as modified from time to time by the Authority, which contains, among other things, the schedule establishing rates and other commercial terms for sale of Electric Service to Customer under this Agreement.

“Supplemental Commitments” has the meaning set forth in Section VI.1.

“Supplemental Power” means default or supplemental power and associated energy that is required by the Customer because the Customer’s Allocation does not satisfy its full electric load.

“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.

“Takedown Schedule” means a schedule agreed to by the Parties pursuant to which the Allocation will be made available to the Customer.

“Taxes” have the meaning set forth in Service Tariff No. HLF-1.

“Unforced Capacity” or “UCAP” has the meaning set forth in Service Tariff No. HLF-1.

“Utility Tariff” means the retail tariff(s) of the Customer’s Local Electric Utility filed and approved by the PSC, which addresses the terms and conditions for the delivery of HLF Power.

ARTICLE II
ELECTRIC SERVICE
1. The Authority will make available Electric Service to enable the Customer to receive the Allocation in accordance with this Agreement, the Service Tariff and the Rules. A copy of Service Tariff No. HLF-1 in effect on or about the date of 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.

2. The Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation specified in Schedule A. The Customer is not be entitled to receive Electric Service under this Agreement for any HLF allocation unless such HLF allocation is identified 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.

3. The Contract Demand may not exceed the Allocation.

4. As part of its Electric Service to the Customer, the Authority will provide UCAP, and the Customer be responsible for paying the Authority for such UCAP, in accordance with Service Tariff No. HLF-1.

5. The commencement of Electric Service is subject to the terms of this Agreement, Service Tariff No. HLF-1, the Rules, applicable operating procedures of the Authority, and applicable tariffs and operating procedures of the Local Electric Utility and the NYISO.

6. 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 one or more Local Electric Utilities will be responsible for delivering the Allocation to the Facility, and therefore the Authority has no responsibility for delivering the Allocation to the Facility. Unless otherwise agreed to by the Authority in writing, the Customer shall be responsible for securing the agreement or consent of any party that is needed for delivery of the Allocation to the Facility.

7. The provision of Electric Service by the Authority is dependent upon the existence of a written agreement between the Authority and the Customer’s Local Electric Utility, or another arrangement acceptable to the Authority, providing for the delivery of HLF Power to the Facility on terms and conditions that are acceptable to the Authority.

8. Service Tariff No. HLF-1 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 will provide at least thirty (30) days prior written notice to the Customer of any proposed change in the Rules or Service Tariff No. HLF-1.

9. 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 for the Authority in its sole discretion to withhold, suspend, or terminate Electric Service 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 in its sole discretion withhold, suspend, or terminate Electric Service on at least ten (10) days’ prior written notice to the Customer. The Authority may, in its sole discretion, waive any of the requirements provided for in this Section II.9 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 charges that become due in accordance with this Agreement, Service Tariff No. HLF-1 and the Rules.

10. 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 sale and delivery of HLF Power to the Customer, the proper and efficient implementation of the HLF Power program, billing related to HLF Power, 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.

11. The Customer understands and acknowledges that the Authority may from time to time require the Customer to complete forms, provide documentation, execute consents and provide other information (collectively, “Service Information”) that the Authority determines is necessary for the provision of Electric Service, the delivery of HLF Power, billing related to the HLF Power Program, the effective and proper administration of the HLF Power program, 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 such Service Information on a timely basis shall be grounds for the Authority in its sole discretion to modify, suspend, or terminate Electric Service to the Customer.

12. The Authority may modify, suspend or terminate Electric Service under this Agreement or modify, suspend, or terminate the quantities of power and energy associated with any Allocation: (a) if such modification, suspension, or termination is required to comply with any final ruling, order or decision of any regulatory or judicial body of competent jurisdiction; (b) if the Customer ceases to be an Eligible Entity; (c) if the Authority ceases to be authorized to allocate and sell HLF Power; or (d) as otherwise provided in this Agreement, Service Tariff No. HLF-1, or in the Rules. Unless such notice is not practicable, the Authority will provide thirty (30) days prior written notice to the Customer before any such modification, suspension, or termination pursuant to this provision.
ARTICLE III
RATES, TERMS AND CONDITIONS

1. Electric Service shall be sold to the Customer in accordance with this Agreement, Service Tariff No. HLF-1 and the Rules.

2. The Service Tariff and the Rules may be amended from time to time by the Authority 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 at least thirty (30) days prior written notice to the Customer of any proposed change in the Service Tariff or the Rules. No amendment to the Service Tariff or the Rules shall affect the determination of rates for Electric Service to the Customer during the term of the Agreement except insofar as otherwise authorized by this Agreement. This provision shall not limit the Authority’s discretion to determine rates applicable to allocations of power and energy awarded to the Customer beyond or in addition to the Allocation.

3. No provision of this Agreement, Service Tariff No. HLF-1, or the Rules, or any other action by the Authority, shall be construed as a promise, warranty, or any representation of any nature whatsoever, express or implied, by the Authority, that:

a. the provision of Electric Service under this Agreement will result in the Customer at any time during the term of the Allocation, paying less for Electric Service than it would otherwise pay had it procured electric service from another source for the load served under this Agreement;

b. the Customer will receive an economic, reliability, or other benefit that is not expressly stated in this Agreement or the Service Tariff; or

c. the Customer is eligible to receive, and/or will receive, a discount, exemption, dispensation, credit, or other form of benefit (collectively, “Exemption”) related to the delivery or transmission of the Allocation, or that any such Exemption, to the extent it is applicable as of the Effective Date, will continue to apply at any time throughout the term of the Allocation.

4. In addition to all other fees, assessments and charges provided for in the Agreement, Service Tariff No. HLF-1 and the Rules, the Customer shall be subject to the Monthly Clean Energy Implementation Charge provided in Schedule D.

ARTICLE IV
BILLING; 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. Except as otherwise provided in this Agreement, all other provisions with respect to billing are set forth in the Service Tariff 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 V
TRANSMISSION AND DELIVERY

1. 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, with respect to the Allocation. The Authority will not act as the LSE or perform any LSE functions with respect to any other power or energy required or consumed by Customer. The Customer 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. HLF-1 or any successor service tariff, regardless of whether such NYISO Charges are transmission-related.

2. The Customer shall be responsible for procuring and paying for the procurement, transmission and delivery of all Supplemental Power required by the Customer. If the Authority incurs any charges associated with the procurement, transmission, or delivery of such Supplemental Power, the Customer shall reimburse the Authority for all such charges.

3. 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.

   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.
4. The Customer shall be solely responsible for paying the Local Electric Utility for delivery of the Allocation in accordance with all applicable Utility Tariffs. If the Authority incurs any charges associated with such delivery, the Customer shall be responsible for reimbursing the Authority for all such charges.

5. Delivery of the Allocation shall be subject to the Utility Tariff as applicable.

ARTICLE VI
HLF POWER SUPPLEMENTAL COMMITMENTS

1. Schedule B sets forth the Customer’s “HLF Power Supplemental Commitments” (“Supplemental Commitments”). The Authority’s obligation to provide Electric Service under this Agreement is expressly conditioned upon the Customer’s timely performance of 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. 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, (i) cancel the Allocation, or (ii) 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.

3. 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.

4. 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.

5. 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.

6. 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 VII**

**CONFLICTS**

In the event of any inconsistencies, conflicts, or differences between the provisions of Service Tariff No. HLF-1 and the Rules, the provisions of Service Tariff No. HLF-1 will govern. In the event of any inconsistencies, conflicts or differences between the Service Tariff No. HLF-1 or the Rules and any provisions of this Agreement, the provisions of this Agreement will govern.

**ARTICLE VIII**

**ADDITIONAL ALLOCATIONS**

Upon proper application by the Customer, the Authority may in accordance with applicable law and Authority procedures decide to award additional allocations of HLF Power 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 allocations, the Authority may in its sole discretion: (a) modify Schedule A to this Agreement or issue a supplemental Schedule A to reflect any additional allocations, and issue a modified Schedule B if the Authority determines such action to be appropriate; or (b) offer the Customer a separate contract with the Authority for the purchase of any additional allocations.

**ARTICLE IX**

**ENERGY SERVICES**

The Authority may 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 provide other benefits, such as support the State’s Clean Energy Standard. The Customer agrees to consider all such Authority communications 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 X**

**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 Authority:

Manager, Business Power Allocations & Compliance
New York Power Authority
123 Main Street
White Plains, New York 10601
Telephone: (914) 681-6200
Facsimile: (914) 390-8156
Electronic mail: ContractDocs@nypa.gov

To Customer:

Name:
Title:
Company:
Address:
Telephone:
Facsimile:
Electronic mail:

2. 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; (e) if sent by electronic mail to the appropriate address as set forth above, with written confirmation of receipt; or (f) if sent by electronic file or data transfer to the appropriate address as set forth above, with written 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 XI
SUCCESSORS AND Assigns; TRANSFERS; RESALE

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.

2. The Customer may not transfer any portion of the Allocation, or any right or contract associated with the Allocation, to any other person, or to a location different than the Facility, unless: (a) the Authority in its discretion agrees in writing to the transfer; and (b) all other requirements applicable to a transfer, including board approvals, are satisfied. In addition, 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. Any purported transfer that does not comply with the foregoing requirements shall be invalid and constitute grounds for the Authority in its sole discretion to suspend Electric Service, or and 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 sole discretion to suspend Electric Service or terminate the Allocation and/or this Agreement.

ARTICLE XII
EFFECTIVENESS; TERMINATION; EFFECT

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

2. Electric Service under this Agreement shall continue until the earliest of: (a) termination by the Customer with respect to all of the Allocation upon at least ninety (90) days prior written notice to the Authority; (b) termination by Authority in accordance with this Agreement, Service Tariff No. HLF-1 and/or the Rules; or (c) expiration of the term of the Allocation. Notwithstanding termination of the Agreement or expiration of the term of the Allocation, each Party’s rights and obligations to render invoices, and make and receive payments for deliveries and performance rendered prior to termination, and with respect to audit, reporting, review, adjustments and disputes, shall remain in effect until fully discharged.

3. The Customer may exercise a partial termination of the Allocation upon at least ninety (90) days prior written notice to the Authority. Unless otherwise agreed to by the Parties in writing, the termination shall be effective commencing with the first Billing Period following the required ninety-day prior written notice period. In the event of a partial termination, the Authority will furnish the Customer with a revised Schedule A which reflects the revised Allocation and a revised Schedule B to the extent the Authority deems it appropriate.

4. The Authority may cancel service under this Agreement or modify the quantities of Firm Market Power and Firm Market Energy associated with the Allocation: (a) 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 (b) as otherwise provided in this Agreement, Service Tariff No. HLF-1 or the Rules.

ARTICLE XIII
MISCELLANEOUS

1. Choice of Law

Any claim, suit, action or any other proceeding in law or equity arising under, or in any way relating to this Agreement shall be governed by and construed in accordance with the laws of the State of New York.

2. Venue

Each Party consents 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.

3. Previous Agreements, Communications and Representations Amendment; and Interpretation

This Agreement shall constitute the sole and complete agreement of the Parties hereto with respect to the sale of the Allocation and the other subject matter of this Agreement, and supersedes all previous communications between the Parties hereto, either oral or written, including price estimates, with reference to the sale of the Allocation, provided, however, that the Customer shall remain liable to the Authority for all duties, liabilities, charges and obligations due in accordance with any prior agreement. 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. 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 an administrative agency or court of competent jurisdiction, such order shall not 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 XIV
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 by facsimile, email as a PDF file or other acceptable file format that appropriately captures the signature, or electronic signature, and shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement.

[SIGNATURES FOLLOW ON NEXT PAGE]
AGREED:

AIR PRODUCTS AND CHEMICALS, INC.

By:

Title: ________________________________

Date: ________________________________

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: Keith T. Hayes

Title: Senior Vice President, Clean Energy Solutions

Date: ________________________________
# SCHEDULE A
HIGH LOAD FACTOR POWER ALLOCATION(S)

<table>
<thead>
<tr>
<th>Customer: Air Products and Chemicals, Inc.</th>
<th>Allocation Type</th>
<th>Allocation Amount (kW)</th>
<th>Facility and Address</th>
<th>Trustee Approval Date</th>
<th>Allocation Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HLF</td>
<td>16,000 kW</td>
<td>Massena Industrial Park, Massena, New York 13662</td>
<td>July 26, 2022</td>
<td>Ten (10) years from the date of commencement of Electric Service</td>
</tr>
</tbody>
</table>
SCHEDULE B

HLF POWER SUPPLEMENTAL COMMITMENTS

The provision of HLF Power to the Customer is in consideration of, among other things, the supplemental commitments made by the Customer as provided for in this Schedule B.

ARTICLE I

HLF POWER SUPPLEMENTAL COMMITMENTS

1. Employment

The Customer shall establish and maintain the employment level set forth in Appendix 1 of this Schedule B (the “Base Employment Level”). Unless otherwise provided for in Schedule B, such Base Employment Level shall be the total number of full-time positions held by: (a) individuals employed by the Customer at the Facility identified in Appendix 1 of this Schedule B; and (b) individuals who are contractors or are employed by contractors of the Customer and who are assigned to such Facility (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 at least 20 hours but not more than 35 hours per week shall be counted as one Base Level Employee.

The Customer shall not establish or maintain the Base Employment Level by transfers of employees from previously held positions with the Customer or its affiliates located within New York State, 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.

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. The Authority shall have the sole discretion to make any such change.

2. Capital Investment

The Customer shall make the scheduled capital investments provided in Appendix 2 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 Contract Demand, provided, however, that if only part of the Allocation is being utilized in accordance with Schedule C, the Customer shall utilize such part of the Allocation.
4. Energy Efficiency and Conservation Program

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) a Physical Energy Audit of the Facility. Either option shall be at the Customer’s own expense.

After the Effective Date, the Authority will 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 in accordance with the NYEM Agreement (“NYEM Participation”); 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 specified in the NYEM Agreement.

If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit at least once during the term of the Allocation, but in any event not less than once every five years. The Authority may in its discretion waive the requirement for a Physical Energy Audit, or may agree to a limited physical energy audit of the Facility, where the Authority 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.

Unless otherwise agreed to by the Authority in writing, energy efficiency audits and virtual energy audits (including via NYEM Participation) that have been performed at the Facility prior to the Effective Date do not satisfy the requirements for an energy efficiency and conservation program under this Section I.4.

ARTICLE II
RECORDKEEPING, REPORTING AND FACILITY ACCESS

1. Employment

A record shall be kept monthly by the Customer, and provided on an annual basis for the period July 1 through June 30 (the “Reporting Period”) to the Authority, of the total number of Base Level Employees who are employed at or assigned to the Customer’s Facility identified in Appendix 1 of this Schedule B, 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 specify the number of individuals who are employed by the Customer, who are contractors, and 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 August immediately following the preceding Reporting Period.
2. Capital Investments

The Customer shall comply with the recordkeeping, recording and reporting requirements specified in Appendix 2 to this Schedule B.

3. Power Usage

The Customer shall keep monthly records of the maximum demand utilized each month for the Facility receiving the Allocation. The Customer shall provide copies of its Local Electric Utility bills and such other information as the Authority may request together with an explanation of such information to the Authority on an annual basis for the Reporting Period on or before the last day of August immediately following the preceding Reporting Period.

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 Agreement; and (b) a description of any energy efficiency or conservation measures that the Customer has implemented at the Facility in connection with any Physical Energy Audit or as a result of NYEM Participation.

5. Facility Access and Information

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, and to allow the Authority to exercise its rights and obligations under the Agreement, Service Tariff No. HLF-1 and the rules, including without limitation, the installation, repair, maintenance, calibration and replacement of Authority owned or managed infrastructure.

The Customer shall provide information requested by the Authority or its designee in surveys, questionnaires and other information requests relating to energy efficiency and energy-related projects, programs and services.

In addition to any reports or other information required by this Agreement, the Authority or its designee shall have the right to examine and audit on reasonable advance written notice to the Customer all non-confidential written and electronic records and data in order to determine the Customer’s compliance with the Customer’s HLF Power Supplemental Commitments.
ARTICLE III
COMPLIANCE ACTION BY THE AUTHORITY

1. Employment Levels

If the annual monthly average number of employees is less than 90% of the Base Employment Level set forth in this Schedule B for the subject Reporting Period, the Authority may reduce the Contract Demand. 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 Reporting Period divided by the Base Employment Level. The Authority will round any such reduction to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, the Agreement shall automatically terminate.

2. Capital Investment Levels

The Authority may reduce the Contract Demand as provided in Appendix 2 to this Schedule B.

3. Power Utilization Levels

If the average of the Customer’s six (6) highest monthly demand readings as measured by the Local Electric Utility’s meter (“Maximum Metered Demand”) is less than 90% of the Customer’s Contract Demand in a Reporting Period, the Authority may reduce the Contract Demand. 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 Maximum Metered Demands for such Reporting Period divided by the Contract Demand. 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.

In addition, for at least six (6) months during the calendar year, the Customer shall utilize a minimum electric demand of five thousand (5,000) kW and utilize energy at a load factor of at least 74 percent. The Authority shall review the Customer’s compliance with these conditions with reference to the Customer’s bills from its Local Electric Utility for the year and such other information as the Authority determines to be appropriate. If these conditions are not met, the Authority shall have the right to terminate this Agreement on sixty (60) days’ notice to the Customer. Prior to providing notice of termination, the Authority will meet with the Customer to discuss the Customer’s energy usage for the purpose of considering any additional information that the Authority in its sole discretion determines to be pertinent to the Customer’s compliance, such as whether the underusage is likely to be temporary and the likelihood that the Customer will be able to comply with these conditions prospectively.

4. Additional Compliance Actions

In addition to the Authority’s other rights and remedies provided in this Agreement, Service Tariff No. HLF-1 and the Rules, the Authority may suspend Electric Service to the
SCHEDULE B

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 will provide the Customer with at least thirty (30) days prior written notice of such reduction, specifying the amount of the reduction of Contract Demand and the reason for the reduction. Before implementing a reduction, the Authority may consider the Customer’s scheduled or unscheduled maintenance or Facility upgrading periods when such events temporarily reduce employment levels or electrical demand, as well as the business cycle.
The Customer shall employ at least 90 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.
1. **Annual Capital Investment Commitment** (if applicable, as specified below)

   a. The Customer agrees to make the following minimum capital investment in the Facility (“Aggregate CI Commitment”) within five (5) years of the commencement of Electric Service under this Agreement:

      Aggregate CI Commitment: $ N/A

   b. Each year, the Customer shall record the total amount of capital investment (“Annual CI Expenditures”) made by the Customer at the Facility during the Reporting Period, which shall be provided to the Authority in a form specified by the Authority on or before the last day of August following the end of the most recent Reporting Period.

   c. The Authority will calculate an aggregate amount of capital investment made by the Customer (“Aggregate CI Expenditures”) at its Facility by summing the first five (5) years of Annual CI Expenditures as reported by the Customer, for the purpose of determining the Customer’s compliance with its Aggregate CI Commitment. If the Customer’s Aggregate CI Expenditures as determined by the Authority is less than 90% of its Aggregate CI Commitment, the Contract Demand may be reduced. 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 Aggregate CI Expenditures divided by the Aggregate CI 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 $550,000,000 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:

      i. New facility construction costs $ 220,000,000
      ii. Machinery and equipment purchases $ 330,000,000

      Total Expansion Project Capital Investment Commitment: $ 550,000,000

   The Expansion Project Capital Investment Commitment shall be made, and the Facility shall be completed and fully operational, no later than July 26, 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
SCHEDULE D

MONTHLY CLEAN ENERGY IMPLEMENTATION CHARGE

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. HLF-1, or in the Rules.

“Alternative Compliance Payment” means a form of payment of money by an LSE that is authorized by the State in law, regulation, or Regulatory Order as a mechanism for an LSE to satisfy an Annual LSE Obligation.

“Annual LSE Obligation” means the annual obligation of an LSE to supply a defined percentage proportion (or other applicable measure) of its retail load with supply derived from new eligible renewable resources through compliance measures that are authorized in law, regulation, or Regulatory Order for a State Energy Standard. With reference to the Zero Emission Credit Requirement, “Annual LSE Obligation” refers to an obligation of an LSE to purchase a specified number of ZECs representing the LSE’s proportional share of ZECs purchased by NYSERDA based on the load served by the LSE in relation to the total load served by all LSE’s in the New York Control Area.

“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 the CES Order or the CES.

“Clean Energy Compliance Measures” is a collective reference to Zero Emission Credit Requirement Compliance Measures, Renewable Energy Standard Compliance Measures, Offshore Wind Energy Standard Compliance Measures, and any other compliance measures that an LSE is authorized by law, regulation or Regulatory Order to undertake in order to meet an Annual LSE Obligation.

“Clean Energy Standard” or “CES” means the Clean Energy Standard adopted by the State, as may be amended from time to time.

“Credit” means a certificate or other claim to the environmental attributes associated with energy produced by or from qualifying resources that typically represents proof that one megawatt-hour (1 MWh, or 1000 kilowatt-hours) of qualifying electricity was generated and delivered to the power grid. A Credit includes but is not limited to a ZEC, REC and OREC.

“Load Serving Entity” has the meaning provided in the CES Order and generally refers a utility or other entity that supplies load (electricity) to a consumer of electricity.

“Monthly Clean Energy Implementation Charge” means the monthly charge to the Customer established in this Schedule D.
“NYSERDA” means the New York State Energy Research and Development Authority.

“Offshore Wind Energy Credit” or “OREC” refers to a qualifying Offshore Wind Energy Credit as authorized by the State in law, regulation, or Regulatory Order.

“Offshore Wind Energy Standard” means the Offshore Wind Energy Standard adopted by the State as may be amended from time to time.

“Offshore Wind Energy Standard Compliance Measures” means the purchase of ORECs from NYSERDA; the Authority’s procurement of ORECs by Self-Supply; and any other compliance measures that an LSE is authorized by law, regulation, or Regulatory Order to undertake for the purpose of satisfying an Annual LSE Obligation for the Offshore Wind Energy Standard.

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

“Regulatory Order” means an order issued by a regulatory agency or authority of the State of New York, and includes orders issued by the PSC. Regulatory Order includes, by way of example only, the CES Order and any other order of the PSC that establishes, supplements, modifies, or clarifies standards, requirements, obligations, or procedures for implementation of the State Energy Plan or a State Energy Standard, including the CES.

“Renewable Energy Credit” or “REC” refers to a qualifying renewable energy credit as authorized by the State in law, regulation, or Regulatory Order.

“Renewable Energy Standard” means the Renewable Energy Standard adopted by the State as may be amended from time to time.

“Renewable Energy Standard Compliance Measures” means the purchase of RECs from NYSERDA; the Authority’s procurement of RECs by Self-Supply; Alternative Compliance Payments to NYSERDA; and any other compliance measures that an LSE is authorized by law, regulation, or Regulatory Order to undertake for the purpose of satisfying an Annual LSE Obligation for the Renewable Energy Standard.

“Self-Supplied Credit Charge” means a supplemental per-Credit charge or adder that the Authority adds to the cost of any Credit that it procures by Self-Supply for the purpose of: (1) enabling the Authority to recover administrative costs that it incurs in connection with the Self-Supply of Credits; and (2) managing risk in the cost of Credits over the term of any contract that serves as a source of Credits for Self-Supply, including but not limited to mitigating the extent of fluctuations in the cost of Credits that the Authority procures through Self-Supply.

“Self-Supplied Credit Cost” means the annual average per-Credit cost (including any applicable Self-Supplied Credit Charge) that the Authority establishes pursuant to Section II.3.b of this Schedule D for any Credit that it procures by Self-Supply for the purpose of complying with any Annual LSE Obligation applicable to a State Energy Standard.
“Self-Supply” means the Authority’s procurement of Credits from a source other than NYSERDA.

“State” means the State of New York.

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

“State Energy Standard” refers to any standard or requirement that is adopted by the State in law, regulation, or Regulatory Order for the purpose of implementing State energy and environmental goals or policies, including goals and policies set forth in the State Energy Plan, that applies to the Authority, or with which the Authority determines it will comply in implementing its business and/or power supply programs. For purposes of this Agreement, State Energy Standard includes the Clean Energy Standard, Renewable Energy Standard, Zero Emission Credit Requirement, Offshore Wind Energy Standard, and any other standard or requirement adopted by the State in law, regulation, or Regulatory Order that applies to the Authority, or with which the Authority determines it will comply, in implementing its business and/or power supply programs.

“Total Monthly HLF Load” has the meaning provided in Section II.3.c of this Schedule D.

“Total Monthly CE Compliance Costs” has the meaning provided in Section II.3.c of this Schedule D.

“Zero Emission Credit” or “ZEC” refers to a Zero Emission Credit as authorized by the State in law, regulation, or Regulatory Order.

“Zero Emission Credit Requirement Compliance Measures” means the purchase of ZECs from NYSERDA; and any other compliance measures that an LSE is authorized by law, regulation, or Regulatory Order to undertake for the purpose of satisfying an Annual LSE Obligation for the Zero Emission Credit Requirement.

“Zero Emission Credit Requirement” means the Zero Emission Credit Requirement adopted by the State as may be amended from time to time.

II. MONTHLY CLEAN ENERGY IMPLEMENTATION CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. HLF-1 or the Rules, the Customer shall be subject to a Monthly Clean Energy Implementation Charge as provided in this Schedule D. The Monthly Clean Energy Implementation Charge is in addition to all other charges, fees and assessments provided in the Agreement, Service Tariff No. HLF-1 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the Monthly Clean Energy Implementation Charge.
2. The Monthly Clean Energy Implementation Charge is part of a compliance program ("Compliance Program") that the Authority has adopted for the purpose of administering the HLF Power program in a manner that is consistent with the State Energy Plan, the CES, and other applicable State Energy Standards. Pursuant to the Compliance Program, the Authority will support the preservation of at risk nuclear zero emission attributes, and support the development of renewable energy resources to serve its HLF Power program customers, through the implementation of various Clean Energy Compliance Measures that the Authority in its discretion determines are appropriate to enable the Authority to meet Annual LSE Obligations that have been established for each State Energy Standard that applies to the Authority, or with which the Authority determines it will comply in implementing its business and/or power supply programs. The purpose of the Monthly Clean Energy Implementation Charge is to enable the Authority to recover costs and other charges as described herein that the Authority incurs for implementing Clean Energy Compliance Measures.

3. The Monthly Clean Energy Implementation Charge will be determined and assessed as follows:

   a. The Authority will, each calendar year, implement such Clean Energy Compliance Measures as the Authority determines in its discretion to be appropriate to meet the Annual LSE Obligation established for each State Energy Standard with respect to the load that the Authority serves under the HLF Power program, including the Renewable Energy Standard, Zero Emission Credit Requirement and Offshore Wind Energy Standard. The specific Clean Energy Compliance Measures that the Authority determines to use, and the amount or extent of each Clean Energy Compliance Measure taken in any calendar year to meet each Annual LSE Obligation shall be within the Authority’s sole discretion.

   b. The Authority will, for each calendar year, establish a Self-Supplied Credit Cost for any Credits that it procures through Self-Supply that it will use to meet the applicable Annual LSE Obligation for each State Energy Standard for the calendar year. The Authority may, in its discretion, for any quarter in any calendar year, revise any such Self-Supplied Credit Cost established pursuant to this Section II.3.b for the purpose of addressing unanticipated circumstances that impact or that the Authority reasonably believes could impact the Authority’s costs and risk exposure regarding Self-Supply. Any Self-Supplied Credit Cost so revised shall apply prospectively.

   c. The Authority will, for each month of each calendar year in which it incurs costs for Clean Energy Compliance Measures, calculate the total costs that the Authority has incurred or estimates that it will incur for implementing the Clean Energy Compliance Measures ("Total Monthly CE Compliance Costs") for the purpose of meeting each Annual LSE Obligation for the total HLF Power kilowatt-hour load for such month ("Total Monthly HLF Load"). The Authority may calculate Total Monthly CE Compliance Costs since forecasts of the Total Monthly HLF Load that the Authority expects to serve for the month, or on a lagged basis based on the actual Total Monthly HLF Load that the Authority served for the month.
d. Each month, the Authority will calculate a Monthly Clean Energy Implementation Charge applicable to the Customer. The Monthly Clean Energy Implementation Charge will represent the Customer’s share of the Total Monthly CE Compliance Costs assigned to the Total Monthly HLF Load assessed as the proportion of the Customer’s total kilowatt-hour load served by the Authority for such month to the Total Monthly HLF Load served by the Authority for such month.

4. The Authority may, in its discretion, include the Monthly Clean Energy Implementation Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the Monthly Clean Energy Implementation Charge pursuant to another Authority-established procedure. In any case, the bill will indicate the amount of the Monthly Clean Energy Implementation Charge that is attributable to compliance with each Annual LSE Obligation.

5. The Authority will, at the conclusion of each calendar year in which it assesses a Monthly Clean Energy Implementation Charge, conduct a reconciliation process based on the actual costs it incurred for Clean Energy Compliance Measures taken (other than Credits procured through Self-Supply), and the actual load served for the year, compared with cost or load estimates or forecasts, if any, that the Authority used to calculate the Monthly Clean Energy Implementation Charge 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 as provided for in any other procedure established by the Authority pursuant to Section II.4 of this Schedule D.

6. Notwithstanding the provisions of Section II.3 of this Schedule D, if Electric Service for the Allocation is commenced after the Authority has implemented Clean Energy Compliance Measures for the year in which such Electric Service for the Customer is commenced, and as a result the Customer’s load cannot be accounted for in such Clean Energy Compliance Measures, the Authority may in its discretion implement one or more separate Clean Energy Compliance Measures with respect to the Customer’s load for the calendar year in order to meet the Annual LSE Obligation for Customer’s load for the year, and bill the Customer for the costs associated with such separate Clean Energy Compliance Measures.

7. Nothing in this Schedule D 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. HLF-1 or the Rules.

III. ALTERNATIVE CES COMPLIANCE PROGRAM

Nothing in this Schedule D shall be construed as preventing the Parties from entering into other agreements for alternative arrangements to enable the Authority to meet any Annual LSE Obligation with respect to the Customer’s allocation, including alternative
SCHEDULE D

compliance programs and cost allocation mechanisms, in lieu of the Monthly Clean Energy Implementation Charge established in this Schedule D.
POWER AUTHORITY OF THE STATE OF NEW YORK

30 SOUTH PEARL STREET

ALBANY, NY 12207

Schedule of Rates for the Sale of High Load Factor Power

Service Tariff No. HLF-1
# TABLE OF CONTENTS

## General Information

<table>
<thead>
<tr>
<th>Leaf No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Applicability</td>
</tr>
<tr>
<td>II. Frequently Used Abbreviations and Terms</td>
</tr>
<tr>
<td>III. Monthly Rates and Related Charges</td>
</tr>
<tr>
<td>A. Monthly Rates and Charges</td>
</tr>
<tr>
<td>1. Market Capacity Charges</td>
</tr>
<tr>
<td>2. Market Energy Charge</td>
</tr>
<tr>
<td>3. NYPA Administrative Charge</td>
</tr>
<tr>
<td>B. Other Charges</td>
</tr>
<tr>
<td>1. NYISO Transmission Related Charges</td>
</tr>
<tr>
<td>2. Taxes</td>
</tr>
<tr>
<td>3. Market Transaction Charges</td>
</tr>
<tr>
<td>4. Transmission, Wheeling and Delivery Charges</td>
</tr>
<tr>
<td>5. Local Electric Utility Charges</td>
</tr>
<tr>
<td>6. New Charges</td>
</tr>
<tr>
<td>7. Monthly Clean Energy Implementation Charge</td>
</tr>
<tr>
<td>8. Maintenance and Related Costs</td>
</tr>
<tr>
<td>C. Estimated Billing</td>
</tr>
<tr>
<td>D. Adjustments to Charges</td>
</tr>
<tr>
<td>IV. General Provisions</td>
</tr>
<tr>
<td>A. Scheduling of Market Energy and Firm Market Power</td>
</tr>
<tr>
<td>B. Reconciliation of Energy Allocations</td>
</tr>
<tr>
<td>C. Reconciliation of Authority Billing with NYISO Invoices</td>
</tr>
<tr>
<td>D. Delivery of Firm Market Power</td>
</tr>
<tr>
<td>E. Rendition and Payment of Bills</td>
</tr>
<tr>
<td>F. Conflicts</td>
</tr>
</tbody>
</table>

Issued by Keith T. Hayes, Senior Vice President
Power Authority of the State of New York
30 South Pearl Street, Albany, NY 12207

Date of Issue: December 11, 2019  Date Effective: January 2020 Billing Period
Schedule of Rates for Sale of High Load Factor Power

I. Applicability

To direct sales of High Load Factor Power to a Customer that is an Eligible Entity for firm Electric Service.

II. Frequently Used Abbreviations and Terms

- **kW** kilowatt(s)
- **kWh** kilowatt-hour(s)
- **NYISO** New York Independent System Operator, Inc. or any successor organization
- **OATT** Open Access Transmission Tariff
- **PAL** New York Public Authorities Law
- **UCAP** Unforced Capacity

**Agreement**: The contract between the Customer and the Authority setting forth the terms and conditions relating to the sale of High Load Factor Power to the Customer to which this Service Tariff relates.

**Allocation**: The amount of High Load Factor Power allocated to the Customer by the Authority.

**Authority** or **NYPAP**: The Power Authority of the State of New York, also known as the “New York Power Authority.”

**Billing Period**: 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 Facility is located.

**Contract Demand**: The amount of High Load Factor Power, not to exceed the Allocation, which the Customer agrees to take and pay for in accordance with the Agreement.

**Customer**: The Authority’s co-party to the Agreement.

**Electric Service**: Firm Market Power and Firm Market Energy associated with the Allocation and sold to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

**Eligible Entity**: This term has the meaning provided in the Agreement.

**Facility**: The Customer’s place of business specified in the Agreement that will receive or is receiving the Allocation.

**Firm Market Energy**: Firm energy (kWh) associated with Firm Market Power that is sourced from the NYISO Day-Ahead Market, the NYISO Real-Time Market, and/or any other third-party source the Authority in its sole discretion deems appropriate that is supplied by the Authority to the Customer.
**Firm Market Power:** Firm capacity (kW) that is sourced from the NYISO and/or any other source the Authority in its sole discretion deems appropriate that is supplied by the Authority to the Customer.

**High Load Factor Power** or **HLF Power:** High Load Factor power and energy the Authority is authorized to allocate and sell under PAL § 1005, which consists of Firm Market Power and associated Firm Market Energy.

**Load Serving Entity:** This term has the meaning provided in the Agreement.

**Local Electric Utility:** This term has the meaning provided in the Agreement.

**Locational Based Marginal Price:** This term has the meaning provided in the NYISO Tariffs.

**Market Capacity Charge:** This term has the meaning provided in Section III.A.1 of this Service Tariff.

**Market Energy Charge:** This term has the meaning provided in Section III.A.2 of this Service Tariff.

**New Charges:** This term has the meaning provided in Section III.B.6 of this Service Tariff.

**NYISO:** The New York Independent System Operator, Inc. or any successor entity.

**NYISO Charges:** This term has the meaning provided in Section III.B.1 of this Service Tariff.

**NYISO Day-Ahead Market:** This term has the meaning provided in the NYISO Tariffs.

**NYISO Real-Time Market:** This term has the meaning provided in the NYISO Tariffs.

**NYISO Tariffs:** The tariffs of the NYISO, including the NYISO OATT, as such tariffs are amended and in effect from time to time.

**NYP A Administrative Charge:** This term has the meaning provided in Section III.A.3 of this Service Tariff.

**Rules:** This term has the meaning provided in the Agreement.

**Service Tariff:** This service tariff, denominated as “Schedule of Rates for Sale of High Load Factor Service Tariff No. HLF-1, as amended from time to time by the Authority.

**Takedown:** The portion of the Allocation the Customer requests to be scheduled for a specific period as provided in the Agreement.

**Taxes:** This term has the meaning provided in Section III.B.2 of this Service Tariff.

**Zone:** Geographical regions within New York State (sometimes referred to as “load zones” or “energy regions”) designated by the NYISO and identified by letter (A-K) that are used to facilitate energy transactions and administration of the State’s power grid.
Additional terms are defined in the text of this Service Tariff.

Unless otherwise indicated, all other capitalized terms and abbreviations used but not defined in this Service Tariff shall have the meaning as set forth in the Agreement. If not defined herein or in the Agreement, any such capitalized terms and abbreviations shall have the meaning ascribed to them in the NYISO Tariffs, if any, unless the context requires otherwise.
III. Monthly Rates and Related Charges

A. Monthly Rates and Charges

Subject to the other provisions of this Service Tariff and the Agreement, the monthly rates and charges to be charged to the Customer by the Authority will be set as follows:

1. Market Capacity Charge

Monthly rates to be charged to the Customer for Firm Market Power (“Market Capacity Charge”) will be based on the following:

   a. The amount of capacity (kW) the Authority needs to secure on the Customer’s behalf as required by the NYISO’s rules. This is currently expressed by the NYISO as the Unforced Capacity or UCAP obligation. The UCAP obligation is inclusive of any locational requirements and adjustments for reserves needed to meet the installed reserve margin, not to exceed the Contract Demand.

   b. The market capacity rate based on the actual monthly capacity price paid by the Authority in securing the NYISO UCAP obligation for the capacity (kW) or any other market capacity rate determined to be the most applicable by the Authority in its sole discretion.

   c. The market capacity rate multiplied by the monthly capacity (kW) quantity will yield the applicable Market Capacity Charge.

2. Market Energy Charge

Monthly rates to be charged to the Customer for Firm Market Energy (“Monthly Energy Charge”) will be based on the actual costs incurred by the Authority in each Billing Period, as described below:

   a. The Customer shall be responsible for payment of any and all market energy charges incurred by the Authority for procuring Firm Market Energy on the Customer’s behalf (“Market Energy Charge”). Such Market Energy Charge may include, but are not limited to, forward energy purchases (i.e. NYISO Day-Ahead Market purchases), balancing energy transactions (i.e. NYISO Real-Time Market transactions), and any third-party costs.

   b. The total number of kilowatt-hours recorded on the Customer’s meter for the Billing Period allocated by the Customer’s Local Electric Utility for delivery of Firm Market Power and reported to the Authority will be used to pro-rate or determine each Customer’s portion of the monthly Market Energy Charges. The Authority will report these kilowatt-hours on the Customer’s bill.

   c. If there is firm energy other than Firm Market Energy being billed to the Customer, the Authority will determine the apportionment of the kilowatt-hours on a case by case basis.
case basis. Generally, the total number of kilowatt-hours recorded on the meter shall be multiplied by a percentage based on (i) the methodology provided for in any agreement between the Authority and the Customer’s Local Electric Utility for delivery of Firm Market Energy and/or (ii) the methodology provided for in Section III.C of this Service Tariff.

d. Financial hedging instruments may be used for the purposes of mitigating the risk in energy price movements. The Authority will pass-through to the Customer the costs of any financial products used to hedge energy purchases.

3. NYPA Administrative Charge

a. The Customer shall be responsible for payment of a “NYPA Administrative Charge.” Subject to Section III.3.b, the NYPA Administrative Charge will be based on the following:

i. The amount of the highest interval integrated demand (kW) during each Billing Period recorded on the Customer’s meter multiplied by a percentage based on the value reported to the Authority by the Customer’s Local Electric Utility for delivery of Firm Market Power. Demand (kW) may not exceed the amount of the Contract Demand.

ii. Monthly NYPA Administrative rate set by the Authority each Rate Year based on any associated overhead and other assigned costs as determined appropriate by the Authority.

iii. The NYPA Administrative rate multiplied by the demand (kW) allocated to the Customer will yield the applicable NYPA Administrative Charge.

b. If in any given month Customer’s monthly demand (kW) is less than 75 percent of its Contract Demand (kW), the NYPA Administrative Charge shall be equal to 75 percent of the Customer’s Contract Demand (kW) for that month, times the applicable NYPA Administrative rate.

B. Other Charges

The Customer shall be responsible for payment of such other charges (collectively, “Other Charges”) as a separate charge from the Monthly Rates and Related Charges provided in Section III.A to the extent such Other Charges apply to such Customer.

1. NYISO Transmission Related Charges (“NYISO Charges”)

NYISO Charges for services associated with the Authority’s responsibilities as Load Serving Entity for the Customer, as provided by the NYISO in NYISO Tariffs, NYISO-related agreements and NYISO procedures associated with the Authority’s provision of Electric Service to the Customer. NYISO Charges to be charged to the Customer by the Authority include, by way of example:
a. Charges for all Ancillary Services, Schedules 1 through 6 and any new ancillary services as provided in accordance with NYISO Tariffs;

b. Transmission Usage Charges or “TUC” which are Marginal Losses and Congestion costs, to the extent applicable;

c. The New York Power Authority “Transmission Adjustment Charge” or “NTAC”;

d. Congestion costs, less any associated grandfathered Transmission Congestion Contracts (“TCCs”) as provided in Attachment K of the OATT;

e. NYISO wide uplift as provided for in the NYISO Tariffs;

f. Any and all other charges, assessments, or other amounts associated with delivery of Firm Market Power and Firm Market Energy sold to the Customer by the Authority, or otherwise associated with the Authority’s responsibilities as a Load Serving Entity for the Customer, that the NYISO assesses on the Authority under the provisions of the OATT or under other applicable NYISO Tariffs; and

g. Any charges assessed on the Authority with respect to the provision of Electric Service to the Customer 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 third party.

For avoidance of doubt, if any NYISO Charges described above are incurred by the Authority for any reason with respect to Electric Service to the Customer when the Authority is not serving as the Load Serving Entity for any of the power or energy that is sold to the Customer under this Service Tariff and the Agreement, the Customer shall reimburse the Authority for all such NYISO Charges.

2. Taxes

The Authority will charge and collect from the Customer all local, state and federal taxes, assessments or other charges mandated by local, state or federal agencies or authorities that are levied on the Authority or that the Authority is required to collect from the Customer, including any applicable “in lieu of” payments (collectively, “Taxes”) if and to the extent such Taxes are not recovered by the Authority pursuant to another provision of this Service Tariff.

3. Market Transaction Charges

The Authority will pass through to the Customer any costs incurred from procuring any capacity and energy described in Sections III.A.1 and III.A.2 of this Service Tariff.
4. Transmission, Wheeling and Delivery Charges

Generally, transmission, wheeling and delivery charges are billed directly to the Customer by the Local Electric Utility. If the Authority incurs any charges for transmission, wheeling and delivery, the Customer shall reimburse the Authority for all such charges. In addition, if there are any charges for transmission, wheeling and delivery, charges are made applicable to the Customer under other Authority’s tariffs and contracts, they will be charged to the Customer by the Authority as provided for in such tariffs and contracts.

5. Local Electric Utility Charges

The Customer shall reimburse the Authority for all charges, assessments, fees and other amounts, if any, the Local Electric Utility imposes on the Authority in any way related to the provision of data and other information the Authority requires from the Local Electric Utility in connection with providing Electric Service to the Customer.

6. New Charges

The Customer shall be responsible for payment of any and all new costs or charges incurred by the Authority in connection with its provision of Electric Service to the Customer, including but not limited to, charges and costs incurred for supplying Firm Market Power or Firm Market Energy, and any new NYISO Charges as may be defined and applied in any NYISO Tariffs, NYISO-related agreements and NYISO procedures from time to time (collectively, “New Charges”). The Authority, in its sole discretion, may include any such New Charges in the monthly rates or the NYPA Administrative rate, or bill the Customer separately for such New Charges.

7. Monthly Clean Energy Implementation Charge

The Customer shall be subject to the Monthly Clean Energy Implementation Charge provided in the Agreement.

8. Maintenance and Related Costs

Unless the Authority and the Customer agree otherwise in writing, the Authority shall have the right to charge and collect from the Customer all expenses the Authority incurs for the installation, repair, maintenance, calibration and replacement of Authority owned or managed infrastructure (e.g., meters, instruments, transformers, communication-related apparatus, wires, hardware) which the Authority determines in its sole discretion is necessary to provide safe and reliable Electric Service to the Facility.

C. Estimated Billing

If the Authority, in its sole discretion, determines that it lacks reliable data on the Customer’s actual demand/UCAP requirements 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 an estimate by the Authority of the Customer’s demand and energy usage (“Estimated Bill”).
For the purpose of calculating demand (kW), where applicable, for an Estimated Bill, the demand (kW) will be calculated based on an average of the Customer’s used and reported 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 Contract Demand (kW) amount.

For the purpose of calculating energy (kWh), where applicable, for an Estimated Bill, the energy (kWh) will be calculated based on an average of the Customer’s used and reported 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 Contract Demand (kW) amount at 74 percent load factor for that Billing Period.

For the purpose of calculating UCAP (kW), where applicable, for an Estimated Bill, the UCAP (kW) will be calculated based on an average of the Customer’s UCAP (kW) requirement values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated UCAP (kW) value for the Estimated Bill will equal the Customer’s Contract Demand (kW) amount.

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 in accordance with Section III.D of this Service Tariff and, as appropriate, render a revised bill (or provide a credit) to the Customer.

The provisions of Section IV.E of this Service Tariff shall also apply to Estimated Bills. The Authority’s discretion to render Estimated Bills is not intended to limit the Authority’s rights under the Agreement, this Service Tariff or the Rules.

D. 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, the receipt of actual, additional, or corrected data concerning Customer meter data and NYISO rebills, including adjustments to the Market Capacity Charge and the Market Energy Charge in accordance with NYISO policies.
IV. General Provisions

A. Scheduling of Firm Market Energy and Firm Market Power

In each Billing Period the Authority shall, in accordance with the NYISO Tariffs, NYISO manuals and NYISO procedures, schedule and provide to the Customer Firm Market Energy associated with Firm Market Power in a monthly amount equal to the product of: (1) Contract Demand; (2) the number of hours in the Billing Period; and (3) estimated load factor, inclusive of all applicable losses and unaccounted for energy, prorated on and extrapolated to an hourly basis, for NYISO Scheduling, unless a different process is required by the Local Electric Utility or the NYISO. Such Firm Market Energy shall be scheduled to the load bus established by the NYISO for the Facility or any successor load bus established with or by the NYISO for LSE scheduling functions.

With respect to each month in which the Authority provides Electric Service to the Customer, the Authority shall, in accordance with the NYISO Tariffs, NYISO manuals and NYISO procedures, schedule and provide UCAP in an amount equal to the applicable value calculated in accordance with NYISO rules in an amount not to exceed the Contract Demand.

The Customer shall cooperate and coordinate with the Authority as necessary to enable the Authority to effectuate the required scheduling and provision of Firm Market Energy and Firm Market Power as required by this Service Tariff and the Agreement. This includes an obligation on the part of the Customer to promptly notify the Authority in advance of any changes in the Customer’s load, or the manner in which Authority-supplied power is consumed, that could impact NYISO forecasting and scheduling.

B. Reconciliation of Energy Allocations

Where Firm Market Energy is delivered under this Service Tariff in conjunction with other firm energy, including but not limited to other firm energy allocations associated with another Authority program/product, the amounts supplied by the Authority hereunder shall be reconciled in accordance with the practices of the Local Electric Utility. In the event of multiple NYPA program allocations to the Facility, the order of precedence will be consistent with the procedures established in any agreements between the Authority with the Local Electric Utility, or as other agreed to by the Authority and the Local Electric Utility.

C. Reconciliation of Authority Billing with NYISO Invoices

In any Billing Period in which the Customer’s energy usage as reported by the NYISO in its versioned invoices to the Authority reflects a difference from the energy usage reflected in Authority invoices to the Customer, the Authority will adjust its invoices to reflect such difference. The Authority may perform such reconciliations for each Billing Period through the time NYISO issues its final LSE invoice to the Authority.

D. Delivery of Firm Market Power
The Customer’s Local Electric Utility shall be responsible for delivering Firm Market Power and Firm Market Power to the Customer. The Authority shall have no responsibility for delivering any Firm Market Power or Firm Market Energy to the Customer unless the Authority agrees to do so in writing, and such agreement expressly supersedes this provision.

For the purpose of this Service Tariff, Firm Market Power and Firm Market Energy will be deemed to be offered when the Authority is able to supply Firm Market Power and Firm Market 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 will not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules.

E. Rendition and Payment of Bills

The Authority will render bills to the Customer for Electric Service relating to the Allocation on or before the fifteenth (15th) business day of the month for charges due for the previous Billing Period. Bills will reflect the amounts due and owing in accordance with the Agreement, this Service Tariff and the Rules, and are subject to adjustment as provided for in the Agreement, this Service Tariff and the Rules. As provided in this Service Tariff, bills will include NYISO Charges and Taxes associated with the Allocation and all other applicable charges, fees and assessments provided for in the Agreement, this Service Tariff and the Rules. NYISO Charges shall be subject to adjustment consistent with any subsequent NYISO billings to the Authority in accordance with this Service Tariff.

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

Bills are due and payable by the Customer within twenty (20) days of the date on which the Authority renders the bill. Unless otherwise agreed to by the Authority in writing, bills 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 and the Customer may agree in writing to an alternative method for the rendering of bills and for the payment of bills, including but not limited to the use of an Authority-established customer self-service web portal.

The Authority will charge and collect from the Customer all Taxes that the Authority determines are applicable, unless the Customer furnishes the Authority with proof satisfactory to the Authority that (1) the Customer is exempt from the payment of any such Taxes, and/or (2) 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 (1) or (2) 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.

If the Customer fails to pay any bill when due, the Authority may add an interest charge of two percent (2%) of the amount unpaid thereto as liquidated damages, and thereafter, as further liquidated damages, may add an additional interest charge of one and one-half percent (1 1/2%) of the unpaid sum shall be added on the first day of each succeeding Billing Period until the amount due, including interest, is paid in full.
If 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.

If at any time after commencement of Electric Service the Customer fails to make complete and timely payment of any two (2) bills for Electric Service, the Authority may in its discretion: (1) require the Customer to 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, which sum shall be deemed security for the payment of unpaid bills and/or other claims of the Authority against the Customer upon termination of Electric Service; (2) suspend Electric Service; or (3) modify or terminate Electric Service. If the Customer fails or refuses to provide a security the deposit within thirty (30) days of a request pursuant to this provision, the Authority may modify, suspend, or terminate Electric Service to the Customer.

The rights and remedies provided to the Authority in IV.E of this Service Tariff are in addition to any and all other rights and remedies available to Authority under the Agreement, this Service Tariff and the Rules, and at law or in equity.

F. Conflicts

In the event of any inconsistencies, conflicts, or differences between the provisions of this Service Tariff and the Rules, the provisions of the Service Tariff will govern. In the event of any inconsistencies, conflicts, or differences between this Service Tariff or the Rules and any provisions of the Agreement, the provisions of the Agreement will govern.
Date: July 26, 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 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, 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 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 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:**

**Human Resources & Administration – Real Estate**

The proposed personal services contract with Network Mapping, Inc. dba NM Group (“NM Group”), (Q22-7295CC) would provide Statewide LIDAR Surveying and Mapping services. The Authority requires these services on a continuous basis to provide transmission corridor and other owned and maintained assets LIDAR surveying and mapping support for all Authority facilities on as-needed basis. The expiring contract for these services is held by NM Group. The Request for Proposals was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Thirty-four firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. Seven proposals were received electronically via Ariba and were evaluated. Staff recommends the award of contract to NM Group which is technically and commercially qualified and meets the bid requirements based on “best value”, which optimizes quality, cost and efficiency among all qualified offerors. This contract is for a term of five years and an amount of $5 million. NM Group is a Small Business Enterprise.

**Human Resources & Administration – Total Rewards & HRIS**

The proposed personal services contract with Corporate Counseling Associates, Inc. (“CCA”), (Q22-7311JW) would provide Employee Assistance Program (EAP) services. The Authority recognizes that many everyday stresses can negatively affect employee attendance and concentration, the general workplace morale, and an employee’s ability to perform well on the job. As a result, the Authority established the EAP for all employees and their families in 1983 and, in January 2017, the EAP was added to include Canal Corporation employees. The EAP has become an integral part of the Authority’s benefits package. The current EAP agreement is due to expire on August 31, 2022. The Request for Proposals was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Eight 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 CCA which is technically and commercially qualified and meets the bid requirements based on “best value”, which optimizes quality, cost and efficiency among all qualified offerors. This contract is for a term of five years and an amount of $300,000.

Legal Affairs – Relicensing & Implementation

The proposed personal services contract with Bernier, Carr & Associates, Engineers, Architects & Land Surveyors P.C. (“BCA”), (Q22-7297CC) would provide Construction Management, Inspection and Design services for Recreation, Environmental, and Shoreline Improvement projects at the St. Lawrence – FDR Power Project. Under the Federal Energy Regulatory Commission (FERC) license for the St. Lawrence – FDR Project, the Authority is required to rehabilitate existing and build new recreational facilities, construct habitat improvement projects (HIP), and implement shoreline stabilization measures. Work associated with this new contract will include oversight of the completion of construction for a significant component of the final HIP on Little Sucker Brook in the Town of Waddington. This ongoing project represents the last of the major HIP projects approved by FERC under License Article 409 and is expected to be completed by the end of 2022. The Request for Proposals was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Twenty-one 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 BCA which is technically and commercially qualified and meets the bid requirements based on “best value”, which optimizes quality, cost and efficiency among all qualified offerors. This contract is for a term of five years and an amount of $2.9 million. BCA is a Small Business Enterprise.

Operations – Operations Support Services

The proposed personal services contracts with AEIS LLC dba Atlas Evaluation & Inspection Services (“AEIS”), ASR International Corporation (“ASR”), Atlantic Engineering Laboratories of New York, Inc. (“AEL”), Atlantic Testing Laboratories Limited (“ATL”), Bureau Veritas North America, Inc. (“BVNA”) and Tectonic Engineering Consultants, Geologists & Land Surveyors DPC (“TEC”), (Q22-7294CC) would provide Special Inspection and Testing services. These firms will provide independent third-party inspection and testing services per the special inspection requirements of the NYS Building Code for various phases of construction. The Request for Proposals was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Thirty-four firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. Seventeen proposals were received electronically via Ariba and were evaluated. Staff recommends the award of contracts to AEIS, ASR, AEL, ATL, BVNA and TEC which are technically and commercially qualified and meet the bid requirements based on “best value”, which optimizes quality, cost and efficiency among qualified offerors. These contracts are for a term of five years and an aggregate amount of $5 million. AEIS, ASR and ATL are Small Business Enterprises. AEIS is a NYS certified Minority and Women-owned Business Enterprise. ATL is a NYS certified Women-owned Business Enterprise.

Operations – Power Supply

The proposed construction services contract with Bidco Marine Group, Inc. (“Bidco”), (Q22-7283TT) would provide Crescent & Vischer Ferry Flashboard Project services. Construction services for the installation & removal of flashboards at the Crescent & Vischer Ferry Power Plants (Cohoes, NY and Rexford, NY), including installation & removal of the Vischer Ferry boat denial lines and other ancillary services are being procured. The Request for Proposals was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Fourteen 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 Bidco which is technically and commercially qualified and meets the bid requirements based on “best value”, which optimizes quality, cost and efficiency among all qualified offerors. This contract is for a term of five and half years and an amount of $3 million. Bidco is a Small Business Enterprise.
The proposed personal services contracts with MS Analytical LLC (“MS Analytical”) and Watts Architecture & Engineering DPC dba Watts Architecture & Engineers (“WAE”), (N22-20175786LM) would provide Environmental Consulting services for the Authority’s Western NY region. The Environmental Consultant provides expertise with asbestos, lead, PCB, and other hazardous materials encountered at the Niagara Power Project (Lewiston, NY) in connection with the general plant maintenance, planned renovations and emergency response situations. The Request for Proposals was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Seventeen 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 contracts to MS Analytical and WAE which are technically and commercially qualified and meet the bid requirements based on “best value”, which optimizes quality, cost and efficiency among qualified offerors. These contracts are for a term of four years and an aggregate amount of $750,000. WAE is a NYS certified Minority-owned Business Enterprise and a Small Business Enterprise.

Canal Corporation Contract Awards in Support of Business Units/Departments and Facilities:

The proposed personal services contract with Popli, Architecture + Engineering & LS, DPC dba Popli Design Group (“PDG”) (K22-10324868CC) would provide Construction Management services for the Pedestrian Bridge at Brockport Guard Gate. The Pedestrian Bridge at Brockport Guard Gate is one of the economic development projects in the Reimagine the Canals program, a new initiative announced in 2020. The new bridge and associated improvements will connect the SUNY campus on the south of the Canal to the existing Empire State Trail on the north of the Canal and spotlights the guard gate infrastructure and its historic significance. The Request for Proposals was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Nineteen 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 PDG which is technically and commercially qualified and meets the bid requirements based on “best value”, which optimizes quality, cost and efficiency among all qualified offerors. This contract is for a term of three years and an amount of $1.2 million. PDG is a NYS certified Minority-owned Business Enterprise and a Small Business Enterprise.

The proposed construction services contract with VMJR Companies LLC (“VMJR”) (K22-10327659NF) would provide the Guy Park Manor Rehabilitation Phase 1 services. Guy Park Manor was originally built in 1774 and is listed on the National Register of Historic Places. It is located near Lock E-11 on the Erie Canal in Amsterdam, NY in Montgomery County. The manor sustained severe flood damage in 2011 during Hurricane Irene and Tropical Storm Lee. The structure was stabilized via an emergency project in the fall of 2011, but no additional work has been performed since then. The current project consists of providing construction services to complete a major rehabilitation of Guy Park Manor and make it occupiable again. The Request for Proposals was advertised on the New York State Contract Reporter website and posted on the Procurement page of the Authority’s website. Sixty-nine 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 VMJR which is technically and commercially qualified and meets the bid requirements based on “best value”, which optimizes quality, cost and efficiency among all qualified offerors. This contract is for a term of two years and an amount of $9,459,000. VMJR is a Small Business Enterprise.
Authority Extensions and/or Additional Funding Requests:

Human Resources & Administration – Total Rewards & HRIS

In January 2017, the Authority issued five-year non-personal services contracts with United Healthcare Services, Inc. ("UHC") (4500276445), Davis Vision, Inc. ("Davis Vision") (4500276433) and Delta Dental of New York ("Delta Dental") (4500276429) in the aggregate amount of $11.225 million for Third Party Administrative (TPA) services for the Authority’s Health and Benefit Programs. The Authority meets its medical benefit needs through self-insured plans and outsources the administration of these plans. The current providers’ contracts have been extended via a grace period while staff evaluated how to best proceed with these contracts. The Authority decided to solicit extension proposals from the incumbents due to the cost, time and effort required to complete a new solicitation, evaluation and possible transition, migration and disruption to the Authority employees. Staff requests extensions of these contracts through December 31, 2027. Additional funds in the amount of $7.25 million to UHC, $100,000 to Davis Vision and $600,000 to Delta Dental are also requested.

Legal Affairs – Licensing

In August 2021, the Authority issued an eleven-month construction services contract to James H. Maloy, Inc. ("JHM") (4500334333) in the amount of $498,000.00 for the Blenheim-Gilboa’s (B-G) Upper Reservoir Habitat Improvement project. On May 1, 2019, the Federal Energy Regulatory Commission (FERC), issued the Authority a new 50-year operating license for the B-G Project. The new license requires the Authority to construct two Habitat Improvement Projects (HIPs) in the Upper Reservoir of the B-G Project. The work includes reconstruction of an existing controlled-level pond and vegetation plantings as well as placement of fish attraction structures. Due to B-G Project operation constraints, and limited availability of new plants in the marketplace, planting more plants this season is not feasible. Therefore, a plan has been developed to re-evaluate the plants in the Fall 2022 and, if needed, new plants would be installed in the Spring of 2023. Staff requests Trustee approval for the extension of the JHM contract for twelve-months through July 31, 2023 for additional planting work for the B-G Upper Reservoir Habitat Improvement project. No additional funding is being requested at this time. JHM is a Small Business Enterprise.

Legal Affairs – Licensing

In June 2021, the Authority issued a one-year construction services contract to Perras Excavating, Inc. ("Perras") (4500332991) in the amount of $2,506,700.00 for roadway excavation, material procurement, construction, and roadway section restoration. This work is a component of the Little Sucker Brook Habitat Improvement Project (HIP), which was an ecological project commitment that was made by the Authority pursuant to the 2003 license issued for the St. Lawrence-FDR Power Project by the Federal Energy Regulatory Commission (FERC). The Route 37 culvert and fish passage work, deemed Phase II of the HIP, had undergone regulatory reviews and received the necessary permits. Phase II was postponed, and the prolonged delay in commencing Phase II triggered an unanticipatedly lengthy regulatory re-review of the project before new construction could start, although the contract period had begun. Physical work on Phase II was therefore unable to commence and the contractor was delayed from initiating and completing the work for Phase II of the Little Sucker Brook HIP. Staff requests Trustee approval for the extension of the Perras contract for six months through December 31, 2022 to complete the replacement installation of a concrete box culvert and to install a new fish ladder beneath the existing Route 37 highway in Waddington, NY. No additional funding is being requested at this time. Perras is a Small Business Enterprise.

Operations – Commercial Operations

As part of NY State Executive Order 88, reduced energy use, sustainability, and efficient operation of public facilities were identified as top priorities for the state. The Authority supports its customers statewide in meeting these goals and initiatives with the Energy Efficiency Program. In December 2012, the Authority approved a total of 19 suppliers for the Governmental Customers Energy Efficiency Program. Savin Engineers PC ("Savin") (4600002642) was one of the 19 contracts awarded for the audit, design, and
installation of energy efficiency measures at customer facilities. The original five-year contract was extended through December 31, 2022. Due to on-going work under this contract, and delays resulting from the COVID-19 pandemic, further extension is required to continue to support the Energy Efficiency Program. Staff requests a three-year extension through December 31, 2025, to finish on-going projects at various customer locations under the Governmental Customers Energy Efficiency Program. No new work will be assigned under this contract. No additional funding is being requested at this time. Savin is a NYS certified Minority-owned Business Enterprise and a Small Business Enterprise.

**Canal Corporation Extensions and/or Additional Funding Requests:**

None

**FISCAL INFORMATION**

Funds required to support contract services for various Business Units/Departments and Facilities have been included in the 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 – Power Supply; the Senior Vice President – Project Delivery; the Senior Vice President – Clean Energy Solutions; the Vice President – Strategic Supply Management; the Vice President – Planning, Reimagine the Canals; the Vice President – NYPA Ventures Implementation; the Vice President – Total Rewards and HRIS; the Vice President – Enterprise Shared Services; Regional Manager & SVP of BG; Assistant General Counsel; recommend that the Trustees and Board approve the award of multiyear procurement (services) and other contracts to the companies and the extension and/or funding of the procurement (services) contracts 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
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 referenced hereto, are hereby approved for the period of time indicated, in the amounts and for the purposes listed therein, as set forth 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 referenced hereto, are hereby approved and extended for the period of time indicated, in the amounts and for the purposes listed therein, as set forth 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 Executive Vice President and Interim General Counsel.
Memorandum

Date: July 26, 2022

To: THE TRUSTEES

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Seaway Private Equity Corporation – Grant Agreement Amendment

SUMMARY

The Trustees are requested to approve an amendment to the Amended and Restated Grant Agreement with the Seaway Private Equity Corporation (“SPEC”) to distribute the remaining amount of $239,220.22 from the original grant to SPEC to use for investments pursuant to the terms of the Amended and Restated Grant Agreement.

BACKGROUND

By resolution approved September 20, 2005, as part of the St. Lawrence Relicensing Settlement Agreements, the Trustees authorized the Authority to negotiate the terms and conditions of a grant agreement (“Grant Agreement”) with a St. Lawrence County not-for-profit corporation, subsequently incorporated as SPEC. Pursuant to that Grant Agreement, the Authority would provide a grant of $10 million to be invested by SPEC under a capital commitment agreement (“Capital Commitment Agreement”) with Golden Technology Management, LLC (“Golden”). Golden, in turn, would raise an additional $20 million in private equity funds for the purpose of establishing a pool for investments in technology businesses to promote economic development and increase employment and the tax base in St. Lawrence County.

The original Grant Agreement was amended, effective as of March 1, 2006 (“Amended and Restated Grant Agreement”), to: (i) clarify the definitions of business development firms in which SPEC may invest, (ii) allow SPEC to invest in firms other than Golden, (iii) allow SPEC to invest in firms that are not “new technology” firms (requiring a two-thirds vote of the SPEC Board), and (iv) require that the Authority approve any alternate business development firms prior to SPEC’s investment.

On July 28, 2009, the Trustees approved two amendments to the Amended and Restated Grant Agreement with SPEC to: (i) authorize SPEC to waive provisions of the standard-form Amended and Restated Capital Commitment Agreement upon a vote of two-thirds of its Board of Directors and (ii) increase the amount set aside for legal and administrative expenses, from $250,000 to $500,000 by authorizing SPEC to use the interest earned on the principal for such expenses.

On January 23, 2013, the Trustees approved a further amendment to the Amended and Restated Grant Agreement with SPEC to increase the amount set aside for legal and administrative expenses, from $500,000 to $750,000 by authorizing SPEC to use the interest earned on the principal for such expenses.

On March 20, 2018, the Trustees approved a further amendment to the Amended and Restated Grant Agreement with SPEC to extend its term to December 31, 2019, and to further increase the amount set aside for legal and administrative expenses, from $750,000 to $800,000 by authorizing SPEC to use the interest earned on the principal for such expenses.
On May 21, 2019, the Trustees approved a further amendment to the Amended and Restated Grant Agreement with SPEC to increase the amount set aside for legal and administrative expenses, from $800,000 to $850,000 by authorizing SPEC to use the interest earned on the principal for such expenses.

On December 11, 2019, the Trustees approved a further amendment to the Amended and Restated Grant Agreement with SPEC to extend its term to December 31, 2020, and to further increase the amount set aside for legal and administrative expenses, from $850,000 to $925,000 by authorizing SPEC to use the interest earned on the principal for such expenses.

On December 9, 2020, the Trustees approved a further amendment to the Amended and Restated Grant Agreement with SPEC to extend its term to December 31, 2021, and to further increase the amount set aside for legal and administrative expenses, from $925,000 to $950,000 by authorizing SPEC to use the interest earned on the principal for such expenses.

Since its inception, SPEC has invested approximately $9,760,779.78 of the original $10,000,000 in firms located in St. Lawrence County. The fund has a balance of $239,220.22 (including earned interest less expenses).

The Authority and SPEC have agreed that the remaining amount of $239,220.22 should be distributed to SPEC to use for the purpose of investments pursuant to the terms of the Amended and Restated Grant Agreement. To date, the principal grant amount has earned $1,293,771.20 in interest.

It is recommended that the remaining amount of $239,220.22 be distributed to SPEC to invest pursuant to the terms of the Amended and Restated Grant Agreement.

RECOMMENDATION

The Executive Vice President and Chief Financial Officer recommends that the Trustees approve an amendment to the Amended and Restated Grant Agreement with the Seaway Private Equity Corporation to distribute the remaining amount of $239,220.22 to the Seaway Private Equity Corporation to use for investments in firms located in St. Lawrence County pursuant to the terms of the Amended and Restated Grant Agreement.

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 an amendment to the Amended and Restated Grant Agreement with the Seaway Private Equity Corporation ("SPEC") to distribute the remaining amount of $239,220.22 to SPEC to use for the purpose of investments in firms in St. Lawrence County pursuant to the terms of the Amended and Restated Grant Agreement, be, and hereby is, approved on the terms set forth 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.
AMENDMENT TO
AMENDED AND RESTATED GRANT AGREEMENT

THIS AMENDMENT is made and entered into as of the ______ day of July, 2022 and shall have an effective date of December 31, 2021 (the “Effective Date”), by and between the POWER AUTHORITY OF THE STATE OF NEW YORK, a corporate municipal instrumentality and political subdivision of the State of New York created by the Legislature of the State by Chapter 772 of the Law of 1931, as amended, with offices located at 123 Main Street, White Plains, New York (hereinafter referred to as “NYPA”) and SEAWAY PRIVATE EQUITY CORPORATION, a New York not-for-profit corporation with offices located at 101/201 Peyton Hall, Main Street, Box 8561, Clarkson University, Potsdam, New York 13699-8561 (hereinafter referred to as “SPEC”). NYPA and SPEC are each sometimes referred to herein as a “Party” and, collectively, as “Parties”.

WHEREAS, NYPA and SPEC entered into an Amended and Restated Grant Agreement, effective as of the 1st day of March, 2006, as amended (the “Grant Agreement”) whereby NYPA provided SPEC with a grant in the amount of $10,000,000 (the “Grant”) for the purpose of investing in new technology companies related to energy and/or the environment upon the terms and conditions set forth in the Grant Agreement through “Capital Commitment Agreements” as defined and described in the Grant Agreement; and

WHEREAS, the term of the Grant Agreement, unless amended again to extend its term, will have expired on December 31, 2021; and

WHEREAS, the Grant Agreement does not set forth a procedure for the disposition of any amount of the Grant which has not been invested prior to its expiration, which as of June 14, 2022, has an outstanding amount equal to $239,220.22; and

WHEREAS, the Parties desire to provide for the distribution of the remaining Grant monies to SPEC pursuant to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises and covenants set forth herein, the Parties hereby agree as follows:

1. Section 4 of the Grant Agreement is hereby amended as follows to add the following subsection (b) to Section 4 for the distribution and use of any remaining Grant monies following the termination or expiration of the Grant Agreement:

(b) Upon termination of this Agreement (for any reason, including natural expiration of its term):

(i) if any Grant monies remain from the original Grant and have not been delivered by NYPA to SPEC as a result of having received no further notice of any proposed investments by SPEC in Qualified Investment Opportunities per the terms of this Agreement before the termination or expiration of this Agreement, then, provided that SPEC is not in breach of this Agreement, upon termination or expiration of this Agreement, NYPA
shall release all such monies remaining from the Grant to SPEC after accounting for all amounts paid to SPEC on account of Capital Calls, costs and expenses payable under Section 2 of this Agreement, and interest accrued under subsection 1(c) of this Agreement. NYPA and SPEC hereby acknowledge and agree that such remaining Grant monies shall thereafter be used by SPEC only for investments in accordance with the terms and conditions of this Agreement, as if this Agreement had not terminated, except that such remaining Grant monies may not be used to reimburse SPEC its costs and expenses.

(ii) With respect to any remaining Grant monies released by NYPA pursuant to Section 4(b)(i) above, SPEC will, on a semi-annual basis, submit to NYPA a written accounting of all investments made with the remaining Grant monies demonstrating compliance with the terms of this Agreement. SPEC’s obligations under this section will continue until the remaining Grant monies have been fully and completely exhausted. In the event that NYPA’s inspection or audit reveals a use of the remaining Grant monies by SPEC for a purpose other than an investment made pursuant to this Agreement, SPEC will reimburse NYPA for the amount of the remaining Grant monies which were improperly used by SPEC within thirty (30) days from NYPA’s written demand therefor. Should SPEC fail to reimburse NYPA within this time, NYPA may take legal action against SPEC to recover the amount of the remaining Grant monies, and/or pursue any and all other available rights and remedies available to it.”

2. For the avoidance of doubt, the terms of the Grant Agreement shall survive its termination and/or expiration solely for the purpose of carrying out the intent of the Amendment, until such time as the remaining Grant monies are fully and completely exhausted.

3. Except as otherwise provided herein, all other terms and conditions of the Grant Agreement, as amended shall remain in full force and effect.

4. Capitalized terms used herein but not defined shall have the meaning set forth in the Grant Agreement, as amended.

5. This Amendment may be executed in counterparts via original ink signature, electronic mark, or electronic signature, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The fully executed Amendment may be delivered using facsimile, pdf or similar file type transmitted via electronic mail, cloud-based server, e-signature technology or other similar electronic means.

[Balance of Page Intentionally left Blank]
IN WITNESS WHEREOF, this Amendment has been executed and delivered as of the Effective Date.

NEW YORK POWER AUTHORITY

By: ____________________________
Print Name: John Canale,
Print Title: VP, Strategic Supply Management
Date Signed: ______________________

SEAWAY PRIVATE EQUITY CORPORATION

By: ____________________________
Print Name: Anthony G. Collins,
Print Title: President
Date Signed: ______________________
Date:    July 26, 2022
To:      THE TRUSTEES and CANAL CORPORATION BOARD OF DIRECTORS
From:    THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER
Subject: Lease Agreement for Canal Corporation’s Utica Section Facility

SUMMARY

The Trustees and Board of Directors (“Board”) are requested to authorize the execution of a lease agreement with 766 Ellsworth Realty Corporation (“Landlord”) for property located at 248 Otis Street, Rome, NY (“248 Otis Street”) for the average annual sum of Four Hundred Forty-Four Thousand Seven Hundred Six Dollars ($444,706.00).

BACKGROUND

The Authority’s and Canal Corporation’s (“Canals”) Expenditure Authorization Procedures governing real estate require the Trustees’ and Board’s approval for a leasehold interest in real property where the annual rent exceeds $100,000.

This lease agreement is in support of Canals’ goal of consolidating all four Utica section maintenance operations into one facility. Located in the City of Rome, 248 Otis Street consists of approximately 6.96 acres of land suitable for laydown area operations and approximately 48,975 square-feet of constructed building space. The site would provide an ample and integrated workspace for all Canal maintenance activities (carpentry, welding/fabricating, mechanics, etc.).

DISCUSSION

Canals, with assistance from the Authority’s Real Estate staff, has been searching since 2017 for a new facility in Oneida County to replace its former Utica section headquarters, which it was required by statute to transfer to the City of Utica. The overall commercial real estate market in the Utica/Rome area has remained stagnant over the past decade, which has resulted in an absence of suitable commercial/industrial space that meets Canal's Utica section maintenance needs. Among the criteria specified for location of a new site were proximity to Canals assets and central location for staff. In June 2021, 248 Otis Street was put on the market for lease and, given Canals’ requirements, was affirmed as the most suitable site after the Authority’s Real Estate staff reviewed many other options in the Utica/Rome area.

While the final terms of the lease are subject to negotiation, the proposed initial term is for eight and one-half years at an annual rate of Four Hundred Thirty-Two Thousand Dollars ($432,000.00) for the first five and one-half years and Four Hundred Sixty-Eight Thousand dollars ($468,000.00) for the final three years. The lease agreement includes an option for one additional 5-year extension. Utilities and everyday maintenance are the tenant’s responsibility. Staff has reviewed local market conditions and determined that the terms are reasonable.
FISCAL INFORMATION

Funds required for the acquisition will come from the Canals’ Real Property Management Annual Budget.

RECOMMENDATION

The Canal Corporation’s Regional Manager and the Vice President – Enterprise Shared Services recommend that the Trustees and Board of Directors approve the execution of a lease agreement of approximately 6.96 acres of real property and 48,975 square-feet of building space presently owned by Ellsworth Realty Corporation in the Town of Rome, County of Oneida, for the average annual sum of Four Hundred Forty-Four Thousand Seven Hundred Six Dollars ($444,706.00).

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 enter into a commercial lease for Canal Corporation’s Utica maintenance operations 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:       July 26, 2022

To:         THE BOARD OF TRUSTEES AND CANAL CORPORATION BOARD OF DIRECTORS

From:       JOHN KOELMEL

Subject:    Appointment of Vice Chair – NYPACANAL Boards

SUMMARY

The Authority’s Board of Trustees and the Canal Corporation’s Board of Directors are requested to consider the appointment of Tracy McKibben as Vice Chair of the Authority and the Canal Corporation, effective immediately.

BACKGROUND AND DISCUSSION

Article IV of the Authority’s and Canal Corporation’s By-Laws provides for the appointment of officers.

RECOMMENDATION

It is recommended that, pursuant to Article IV of the Authority’s and Canal Corporation’s By-Laws, Tracy McKibben be appointed as Vice Chair of the Authority and Canal Corporation, effective immediately, pursuant to Article IV of the Authority’s and Canal Corporation’s By-Laws.

The attached resolution is recommended for adoption.

John Koelmel
Chairman
RESOLUTION

RESOLVED, That pursuant to Article IV of the By-Laws of the Authority and the Canal Corporation, Tracy McKibben is hereby appointed as Vice Chair of the Authority and Canal Corporation, effective immediately.
Date: July 26, 2022

To: THE BOARD OF TRUSTEES AND CANAL CORPORATION BOARD OF DIRECTORS

From: JOHN KOELMEL

Subject: Appointment of Chair – Audit Committee

SUMMARY

The Authority’s Board of Trustees and the Canal Corporation’s Board of Directors are requested to consider the appointment of Dennis Trainor as Chair of the Audit Committee, effective immediately.

BACKGROUND AND DISCUSSION

Article IV of the Authority’s and Canal Corporation’s By-Laws provides for the appointment of officers.

RECOMMENDATION

It is recommended that, pursuant to Article IV of the Authority’s and Canal Corporation’s By-Laws, Dennis Trainor be appointed as Chair of the Audit Committee, effective immediately, pursuant to Article IV of the Authority’s and Canal Corporation’s By-Laws.

The attached resolution is recommended for adoption.

John Koelmel
Chairman
RESOLUTION

RESOLVED, That pursuant to Article IV of the By-Laws of the Authority and the Canal Corporation, Dennis Trainor is hereby appointed as Chair of the Audit Committee, effective immediately.
Date:    July 26, 2022

To:      THE BOARD OF TRUSTEES AND CANAL CORPORATION BOARD OF DIRECTORS

From:    JOHN KOELMEL

Subject: Appointment of Chair – Governance Committee

SUMMARY

The Authority’s Trustees and the Canal Corporation’s Board of Directors are requested to consider the appointment of Bethaida Gonzalez as Chair of the Governance Committee, effective immediately.

BACKGROUND AND DISCUSSION

Article IV of the Authority’s and Canal Corporation’s By-Laws provides for the appointment of officers.

RECOMMENDATION

It is recommended that, pursuant to Article IV of the Authority’s and Canal Corporation’s By-Laws, Bethaida Gonzalez be appointed as Chair of the Governance Committee, effective immediately, pursuant to Article IV of the Authority’s and Canal Corporation’s By-Laws.

The attached resolution is recommended for adoption.

John Koelmel
Chairman
RESOLUTION

RESOLVED, That pursuant to Article IV of the By-Laws of the Authority and the Canal Corporation, Bethaida Gonzalez is hereby appointed as Chair of the Governance Committee, effective immediately.
Date: July 26, 2022

To: THE AUTHORITY TRUSTEES & CANAL CORPORATION BOARD OF DIRECTORS

From: THE INTERIM PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Approval of the Policy on Videoconference Participation in Public Meetings

SUMMARY

The Authority’s Trustees and the Canal Corporation’s Board of Directors are requested to adopt the New York Power Authority/Canal Corporation Policy on Videoconference Participation in Public Meetings as set forth in the resolution.

BACKGROUND

On April 9, 2022, Governor Hochul signed Chapter 56 of the Laws of 2022, which included an amendment to the Open Meetings Law (OML) to make permanent (until July 1, 2024) the expanded use of videoconferencing by public bodies to conduct open meetings, under extraordinary circumstances, regardless of a declaration of emergency. In furtherance of this amendment, a policy on videoconferencing is before the board for consideration and adoption in order to maximize flexibility in conducting business and enhancing member participation.

DISCUSSION

Prior to the pandemic, the Board and Committee members participated in meetings in person or virtually from a location that permitted public access. On March 13, 2020, Governor Cuomo issued Executive Order 202.1 suspending certain aspects of the OML relating to in-person attendance. This change permitted members to participate in meetings at private locations (home, office, etc.) where the public was not permitted to attend due to concerns about the transmission of Covid. The recent amendment to the OML permits members to fully participate in meetings from a private location under special circumstances.

This policy permits remote attendance at locations that do not provide for in-person physical attendance by the public when:

1. A quorum is participating from locations that are open to the public.
2. A member is prevented from attending the meeting due to extraordinary circumstances, including significant, or unexpected factors or events that preclude the member’s physical attendance at a public location.
3. The member requests and obtains permission to participate from a private location.
4. The Boards adopt a resolution authorizing such remote attendance and setting forth what they consider to be “extraordinary circumstances.”
RECOMMENDATION

The Interim Executive Vice President and General Counsel recommends that the Trustees and the Board of Directors approve the Videoconference Participation in Public Meetings policy.

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 Authority Trustees and Canal Corporation Board of Directors adopt the following Policy on Videoconference Participation in Public Meetings:

Policy on Videoconference Participation in Public Meetings

PURPOSE AND SCOPE

a. The people’s right to witness and observe the governmental decision-making process in action is basic to our society. Access to public portions of meetings of public bodies must be protected and maintained.

b. This policy is drafted pursuant to Chapter 56 of the Laws of 2022 relating to the New York State budget for the 2022-2023 state fiscal year amending the Open Meetings Law to make permanent (until July 1, 2024), the expanded use of videoconferencing by public bodies to conduct open meetings, under extraordinary circumstances, regardless of declaration of emergency.

APPLICABILITY

This policy provides direction for conducting videoconferencing of public meetings of the New York Power Authority (“Authority”) Board of Trustees (“Trustees”), the New York State Canal Corporation (“Corporation”) Board of Directors (“Board of Directors”), its Committees and Advisory Boards, including the Economic Development Power Allocation Board (“EDPAB”), the Western New York Power Proceeds Allocation Board (“WNYPPAB”) and the Northern New York Power Proceeds Allocation Board (“NNYPPAB”).

INITIALISMS (ACRONYMS) AND DEFINITIONS

N/A

RESPONSIBILITY

Responsibility and oversight of this policy resides with the VP & Corporate Secretary.

POLICY IMPLEMENTATION

Videoconference Participation

a. All the members of the Authority/Canal Corporation Boards, the Committees and Advisory Boards shall be physically present for public meetings at a location(s) that allows physical attendance by the public unless prevented from doing so due to extraordinary circumstances.

Extraordinary circumstances include, but are not limited to the following: disability, illness, caregiving responsibilities, traveling out-of-state, conflicting commitments, significant or unexpected factors or events which precludes the member’s physical attendance at such meeting.

b. Members may participate by videoconference from a location that is not open to the public only if there is a quorum of members at physical locations open to the public.
c. Members who are unable to participate at a location that permits public attendance, shall notify the Corporate Secretary and Chair of the relevant entity, request permission to participate remotely from a private location, and provide the reason why this is necessary. The request shall be made in writing and no later than one week prior to the scheduled meeting. In the event of that the extraordinary circumstance occurs within one week of the scheduled meeting date, the members should send the notification and request as soon as practicable.

d. The Chair shall have the discretion to permit a member to participate remotely from a private location that does not permit public access once a quorum is available at the public location(s).

e. The member(s) participating from a location that does not permit public access may not count towards the quorum but may participate and vote at the meeting.

**Recording and Broadcasting of Meetings**

a. Each open meeting conducted by videoconference shall be recorded and such recordings posted or linked on the public website within five business days following the meeting.

b. The recordings shall remain available on the public website for a minimum of five years thereafter.

c. Such recordings shall be transcribed upon request.

d. Open meetings shall be, to the extent practicable, broadcast live to the public.

e. Operation of equipment to photograph, record or broadcast a meeting is permitted unless it is obtrusive, disruptive, or interferes with the deliberative process or the right of persons in attendance to observe or listen to the proceedings.

f. Use of equipment necessary to photograph, record or broadcast is permitted without notice to or express permission from the public body or those in attendance at the meeting.

**Public Notice**

The public notice for the meeting must inform the public that videoconferencing will be used and identify the public physical location(s) where the members will be participating.

**Minutes**

The minutes of all open meetings conducted by videoconference shall note which, if any, members participated remotely.

**State Disaster**

The in-person participation requirements in the Open Meetings Law shall not apply during a state disaster emergency declared by the governor pursuant to section twenty-eight of the executive law, if the Authority/Corporation determines that the circumstances necessitating the emergency declaration would affect or impair the ability of the public body to hold an in-person meeting.
VIOLATIONS

Violations of this Policy and related policies and procedures by employees may result in disciplinary action up to and including termination. Violations of this Policy by contractors and other authorized third parties may result in the revocation of such party’s access to NYPA’s premises and/or electronic access to its systems, and the termination of such party’s contract for services. In addition, where the conduct engaged in is illegal, violators may be subject to prosecution under applicable federal, state, or local laws.

REFERENCES

N/A

8 POLICY REVIEW AND REVISION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document. Rescinding of documents is referenced in BS-IBC-01-005

Revision cycle: Every Other Year

9 ATTACHMENTS

N/A

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.
# Table of Contents

<table>
<thead>
<tr>
<th>Subject</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>2</td>
</tr>
<tr>
<td>1. Adoption of the May 24, 2022 Proposed Meeting Agenda</td>
<td>2</td>
</tr>
<tr>
<td>2. DISCUSSION AGENDA:</td>
<td>2</td>
</tr>
<tr>
<td>a. Strategic Initiatives</td>
<td>2</td>
</tr>
<tr>
<td>i. Interim President and Chief Executive Officer’s Report</td>
<td>2</td>
</tr>
<tr>
<td>b. Chief Operations Officer’s Report</td>
<td>5</td>
</tr>
<tr>
<td>c. Chief Commercial Officer’s Report</td>
<td>7</td>
</tr>
<tr>
<td>d. Chief Financial Officer’s Report</td>
<td>8</td>
</tr>
<tr>
<td>e. NYPA Development Report</td>
<td>10</td>
</tr>
<tr>
<td>i. Propel NY Project Proposal – Joint Development Agreement with NY Transco Resolution</td>
<td>11</td>
</tr>
<tr>
<td>f. Finance &amp; Risk Committee Report</td>
<td>12</td>
</tr>
<tr>
<td>i. Finance &amp; Risk Committee Recommendations for Approval:</td>
<td>12</td>
</tr>
<tr>
<td>1. Recommended Release of Funds in Support of the New York State Canal Corporation Resolution</td>
<td>12</td>
</tr>
<tr>
<td>2. Smart Path Connect Transmission Line Construction Award Resolution</td>
<td>13</td>
</tr>
<tr>
<td>3. Control Enclosures &amp; Relay Panels On-Call Contract Resolution</td>
<td>13</td>
</tr>
<tr>
<td>4. IT Co-Sourcing Value Contract Extension Resolution</td>
<td>14</td>
</tr>
<tr>
<td>5. Steel Waiver Request – Instrument Transformers Resolution</td>
<td>14</td>
</tr>
</tbody>
</table>
3. CONSENT AGENDA:

a. Commercial Operations

i. Economic Development Power Programs-Customer Cost Mitigation Measures Resolution

ii. Replacement Power Allocation Resolution

iii. Recom mencement and Extension of Hydropower Contract with National Grid for the Benefit of Rural and Domestic Consumers and Transmittal to the Governor Resolution

iv. Contracts for the Sale of Hydropower – Final Approval and Transmittal to the Governor Resolution

b. Procurement (Services) Contracts

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

ii. Long-Term Operations Agreement for the Discover Niagara Shuttle Service Resolution

c. Digital Innovation and Transformation

i. Disposition of Ex cess Fiber Capacity under Public Authorities Law §1005(29) and Initial Pilot Program under New York State ConnectALL Initiative Resolution

d. Governance Matters

Approval of the Minutes

1. Minutes of the Annual Joint Meeting of the New York Power Authority’s Trustees and Canal Corporation’s Board of Directors held on March 29, 2002
<table>
<thead>
<tr>
<th>Subject</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Motion to Conduct an Executive Session</td>
<td>19</td>
</tr>
<tr>
<td>5. Motion to Resume Meeting in Open Session</td>
<td>19</td>
</tr>
<tr>
<td>6. Next Meeting</td>
<td>19</td>
</tr>
<tr>
<td>Closing</td>
<td>20</td>
</tr>
</tbody>
</table>
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 8:36 a.m.

Members of the Board present were:

John R. Koelmel, Chairman
Michael A.L. Balboni
Dennis T. Trainor
Bethaida Gonzalez
Anthony J. Picente, Jr.

Eugene L. Nicandri, Vice Chairman - Excused
Tracy McKibben - Excused

---

Justin Driscoll      Interim President and Chief Executive Officer
Philip Toia          President – NYPA Development
Lori Alesio          Interim Executive Vice President and General Counsel
Adam Barsky          Executive Vice President and Chief Financial Officer
Joseph Kessler       Executive Vice President and Chief Operating Officer
Kristine Pizzo       Executive Vice President and Chief Human Resource & Administrative Officer
Sarah Salati         Executive Vice President and Chief Commercial Officer
Daniella Piper       Regional Manager and Senior Vice President
Bradford Van Auken   Senior Vice President Operations Support Services and Chief Engineer
Yves Noel            Senior Vice President and Chief Strategy Officer
Robert Piascik       Senior Vice President – Chief Information & Technology Officer
Patricia Lombardi    Senior Vice President Project Delivery
Keith Hayes          Senior Vice President – Clean Energy Solutions
David Mellen         Regional Manager and SVP
Lisa Beaty           VP technology Business Management
Girish Behal         Vice President & Business Development
Andrew Boulais       Vice President and Construction Management
Angelyn Chandler     Vice President Planning
Karen Delince        Vice President and Corporate Secretary
Joseph Leary         Vice President Community & Government Relations
Shirley Marine       Vice President Enterprise Shared Services
John Canale          Vice President – Strategic Supply Management
Eric Meyers          Vice President – Chief Information Security Officer
Adrienne Lotto Walker Vice President and Chief Risk & Resilience Officer
Victor Costanza      Senior Director – Cyber Security & Deputy CISO
Rebecca Hughes       Senior Director Canals Public Engagement
Ali Mohammed         Senior Director Digital Innovation and Transformation
Andrew Negro         Director Corporate Insurance
Brian Stratton       Director of NY State Canals System
Carley Hume          Chief of Staff – President’s Office
Christopher Vitale   Financial Performance & Reporting Manager
Lorna Johnson        Senior Associate Corporate Secretary
Sheila Quatrocci     Associate Corporate Secretary
Michele Stockwell    Project Coordinator, Corporate Secretary

---

Chairman Koelmel presided over the meeting. Corporate Secretary Delince kept the Minutes.
**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 May 24, 2022 Proposed Meeting Agenda**

On motion made by Trustee Trainor and seconded by Trustee Balboni, the members adopted the meeting Agenda, as amended.

**Conflicts of Interest**

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

2. **DISCUSSION AGENDA:**

   a. **Strategic Initiatives**

      i. **Interim President and Chief Executive Officer’s Report**

      Interim President and Chief Executive Officer Justin E. Driscoll provided highlights of his report to the members. He said that the Authority continues to focus on executing its VISION2030 Strategic Plan while closely tracking this rapidly changing industry and taking advantage of the latest technologies and solutions for the benefit of NYPA and its customers.

   April 2022 – VISION2030 Scorecard – Progress toward VISION2030 Goals and Organizational Health

**Workforce Management**

After two very strong years of performance in terms of its “Days Away, Restricted or Transferred” (“DART”) Rate, in April it was reported as “significantly off target” (1.77; the target is 0.78). The Authority had six reportable incidents last month. Yesterday, an “All Hands” meeting was conducted with the entire staff to redouble the Authority’s efforts around safety. The Authority has a stretch goal above industry standards and, for the most part, met this goal. However, since for this reporting period it was rated below the target, he wanted to bring it to the members’ attention.

**Financials**

The Authority’s operational performance and Earnings before Interest, Depreciation & Amortization (“EBITDA”) were strong in 2022. The EBITDA was primarily due to the increase in natural gas prices and disruptions in the commodity market.

**Key Public Milestones**

Two key public milestones, Decarbonizing Natural Gas and Reimagine the Canals Priority Project showed strong performances for the reporting period. As it relates to Decarbonizing Natural Gas, in April NYPA published a study conducted in collaboration with its Environmental Justice partner, the PEAK Coalition. The study indicated that NYPA’s Small Clean Power Plants in New York City could begin the transition to lower, zero-emissions technologies ahead of its goal of decarbonization by 2035, and the State’s goal of zero emissions by 2040.
As it relates to the Reimagine the Canals, during the 2022 navigation season, which is the 198th season of the Canals, NYPA is launching the next iteration of its “free On the Canals excursions" that were very popular last year.

**Clean Energy Future**
During the last Finance and Risk Committee meeting, the members discussed the future of energy markets and how to ensure that NYPA continues to remain financially viable for the benefit of all New Yorkers and requested that more details be provided on this topic.

Critical to NYPA's financial success and the success of New York and its clean energy transition is the role that hydropower, and, in particular, NYPA's hydropower, will play in that transition and how NYPA is both supporting that transition and maintaining its relevancy in that changing market.

Comparing today's energy mix to the CLCPA or Climate Act goals, of the types of generation that are currently in place, New York has only 27% percent renewable generation with hydro being the largest of that mix. While some of the State’s goals are technology-specific such as 6 gigawatts of behind-the-meter solar by 2025, 3 gigawatts of storage by 2030, and 9 gigawatts of offshore wind by 2035, the Climate Act is the transition to zero fossil generation by 2040. Therefore, renewables need to expand significantly while hydro and nuclear remain flat.

Projections from a New York Independent System Operator (“NYISO”) Resource Outlook Study indicates that installed capacity will need to almost triple the amount of generating capacity by 2040 while, at the same time, eliminating the dependence on fossil generation. Under the NYISO forecast, hydropower is expected to stay consistent; this is aligned with NYPA’s projections. While hydropower continues to be the foundation of New York’s renewable generation, the growth will take place in other forms of renewables.

Dispatchable Emission-Free Resources (“DEFR”) is related to technologies that have not yet reached commercial viability, such as some forms of renewable natural gas, green hydrogen, and some forms of energy storage. The main characteristic of this technology is that it needs to be dispatchable by the NYISO, in that the grid operator must be able to call on it to generate power regardless of weather conditions and for longer periods of time.

In addition to having to transition all New York’s current load to renewables, the NYISO also expects to see an increase in electricity demand due to electric vehicles and electric home heating and cooling systems.

In the benchmark year of 2019, New York’s power came from three sources, namely, nuclear, natural gas and hydropower. However, in 2040 the New York expects substantial contributions from at least eight different types of generation.

NYPA will play a critical role with the new technologies as they come online, working with its customers on innovative grid solutions that benefit them and the Authority’s transition in the state.

**Generation Projections for 2040:**

1. The energy supply will be more diverse— a wide array of renewables will be coming online along with new technologies to balance the intermittency of those renewable generation resources.

2. The grid will be more distributed— customers and end-users will increasingly become their own generators with on-site renewables and controlling demand from their own building loads.

3. The grid will be more resilient – the Authority is already seeing the effects of extreme weather conditions on its systems and expects that climate change will increase the frequency of those
to extreme events. New York must build a more resilient grid to mitigate those changes with more customer-sited generation and more on-site storage that can directly address those resiliency needs.

To support a more diverse grid, NYPA is investing in its foundational hydropower. The Authority is also at the forefront of decarbonizing its Peaker plants, recently announcing its RFP to explore replacing many of its Peaker plants with energy storage. NYPA is also piloting new technologies, such as green hydrogen and utility-scale solar storage, to help ease the transition to new technologies, lending its expertise in integrating into the big grid.

In line with a more distributed grid, NYPA is partnering with its customers and leading by example through its new ventures, and, in support of Governor Hochul’s 2020 State of the State Address, NYPA is working to scope out virtual power plants at several Offices of General Services sites.

To support a more resilient system, NYPA is investing in transmission and enhancing the flexibility of its hydropower assets with investments such as its Next Generation Niagara Upgrade.

In the first six months of 2022, NYPA completed projects in support of the Climate Act and its transition to a decarbonized New York. NYPA’s work toward a more distributed grid includes the recent completion of the largest rooftop solar array at SUNY Albany; the replacement of all New Platz Village streetlights with new energy efficiency LED fixtures; and opening EVolve charging stations at Stewart’s shops in Latham and Clifton Park in the Capital District region.

The Authority recently began construction on a $72 million project of energy-efficiency upgrades to improve heating systems at NYCHA facilities in the Bronx and Staten Island. NYPA also announced a partnership with the Port Authority to replace the lights at One World Trade Center. In addition, NYPA is working with local community partner, Purchase College, to design and install a large-scale solar energy system, a community solar project that will benefit the surrounding community.

NYPA's decisions and investments are in support of New York's decarbonized future and are guided by its VISION2030 mission. NYPA believes this alignment with state goals will help ensure its viability, even in this uncertain future.

Interim President Driscoll stated that hydropower is the only renewable that does not get an out-of-market subsidy in the New York energy markets. This means that other renewables can bid into the market cheaper than NYPA can; therefore, NYPA is more frequently not selected by the markets and forced to spill water. The Authority expects this trend to increase as more renewables come online, as well as being asked to ramp up and down to balance the intermittency of renewables, accelerating wear and tear on its assets.

Recognizing the value of hydropower, both to NYPA and the State, the Authority is pursuing several initiatives to preserve the value of hydropower; advocating for market rule changes that recognize the benefit of the dispatchable carbon-free resources, like hydro. And, through investments like the Next Generation Niagara Project, the Authority is working to increase the flexibility of its large hydropower units so that they can more easily ramp up and down to balance the intermittency of renewables in wind and solar generation.

In closing, Interim President Driscoll said that at NYPA and for the State, hydropower is foundational. The Authority is aware that the State cannot meet its Climate Act goals without large-scale hydropower and the Authority is actively working to ensure that hydropower is available for generations to come. He said he looks forward to coming back to the members in the future with updates on the Authority's successes in these efforts. He thanked the members for the opportunity to discuss the energy system of tomorrow and how NYPA is already supporting that transition by focusing its resources and investments on the common themes across projections for the future.
b. **Chief Operations Officer’s Report**

Mr. Bradford Van Auken, Senior Vice President – Operations Support Services & Chief Engineer, provided a report on NYPA’s safety culture and operations.

**NYPA Safety Culture**

Safety has always been an important value at NYPA, and it is firmly embedded in its VISION2030 Strategy. The American Public Power Association recently awarded NYPA the RP3 “Diamond” designation, which is the highest award for operational excellence, as well as the safety award of excellence for safe operating practices in 2021.

In order to maintain its high standards for health and safety, the Authority must always remain vigilant. As reported earlier by Interim President Driscoll, the year-to-date NYPA DART Rate reported on the Balance Scorecard was “Significantly off Target” at 1.77; the goal is 0.78. As discussed earlier, none of the incidents rose to the classification of a “serious injury”. The Health and Safety team did a deep-dive of the incidents and categorized the causes as “soft tissue and muscular stress-related injuries.” Using this data, staff have tailored response plans and actions to the specific nature of these incidents.

As previously mentioned by Interim President Justin Driscoll, a NYPA-wide All-Hands Safety Stand down meeting was held, the goal of which was to speak to the recent incidents and to drive home to all staff the point that safety is a priority regardless of role or job title, that safety is everyone’s responsibility and every NYPA employee has the ability to stop and/or stand-down a job; questioning attitudes always foster a good safety culture.

As it relates to Canal Corporation, Mr. Van Auken said that he wanted to commend the staff on a year-to-date DART rate of 2.47 which met its target of 3.25. Canal Corporation have outperformed its previous performance of the last five years and is trending in the right direction.

**Asset Management System**

NYPA is agile with respect to evolving market conditions. In 2019, NYPA received the ISO 55001 Certification in Asset Management, becoming the first electric utility to do so in North America. NYPA is currently in the process of pursuing the recertification and will be going through a recertification audit next month.

In developing an effective and responsible Asset Management System NYPA follows a “Plan-Do-Check-Act” framework. Under the “Plan” component of the cycle, NYPA established an Asset management Strategy and Asset Management Objective which are derived from its Strategic Priorities and the Foundational Pillars of VISION2030.

NYPA’s strategy for its assets analyzes forecasted changes in revenues, expenditures, demand and competition, customer load pattern, energy prices, renewables and a host of internal drivers and external factors. However, the aim is to factor these drivers into strategies for NYPA’s generation and transmission asset portfolio, with the goal of optimizing cost performance and risk.

NYPA has also developed regional plans which take into account the nuances and differences within the individual regions. All of these plans drive the Authority’s capital investment, operations and maintenance planning.

In the “Do” phase of the cycle, the Authority executes projects and daily activities all in line with the requirements’ objectives outlined in the planning stage. The Authority continuously reviews its performance, costs, and risks and identifies when adjustments are needed. For example, observing changes to supply chains may cause the Authority to re-evaluate its Spares Strategy, end of asset life decisions, as well as adjust project timelines, depending on market conditions. This effort corresponds to the “Check” component.
NYPA implements and identifies adjustments and updates its plans accordingly. Through the Plan/Do/Check/Act structure, the Authority’s asset management system remains agile. This gives the assurance that external drivers and strategic decisions are not just discussions that the Authority has at the Board or Executive and Senior management levels, but rather it cascades all the way down to the activities that individuals perform on any given day. The Authority evaluates its strengths and exposures with respect to the changing market conditions; therefore, the Asset Management System is a strength of the Power Authority.

Some of the projects that NYPA is undertaking to ensure that it remains agile within an evolving energy landscape, and to support its strategic priority in preserving hydropower and decarbonizing Gas Plants includes:

**Preserve Hydropower:**

- **Long Sault Dam Gate Hoist Automation Project** – this project is about to enter its design stage in June. The project will allow controls to be located at the Long Sault Dam in Massena and will be operated directly from the power dam control room remotely. This plant was built with manual controls. Using automotive controls, rather than manually operated, not only allows the Authority to respond to fluctuating market demands and adjust water levels almost instantaneously but also provides considerable safety improvement from having to send staff to the dam, especially in the wintertime.

- **Battery Storage** - The North Country Energy Storage project at the Willis Substation is approximately 80 percent complete. Large-scale battery storage is an important part of developing a sustainable New York energy grid. This project not only develops 20MW of energy storage in the northern region, but it also gives the Authority the opportunity to develop organizational knowledge.

- **Next Generation Niagara** – the modernization and digitization efforts taken under the Next Generation Niagara program extended the operating life and improved the efficiencies of the Authority’s largest hydropower plant.

**Decarbonize Gas Plants:**

- **Small Clean Power Plant Adaptation** – NYPA commissioned the Small Clean Power Plant Adaptation Study in consultation with a group of Environmental Justice and Clean Energy advocates called the Peak Coalition. The Study was released in April. NYPA’s first action as a result of the study was to issue a Request for Proposal for battery storage solutions at its downstate facilities.

  The Authority’s plants are some of the cleanest in the region and its SENY fleet is a key contributor in its transition plans for cleaner energy in New York State.

- **Green Hydrogen Demonstration Project** - NYPA launched a “first of its kind” green hydrogen demonstration project to investigate the potential of substituting renewable hydrogen to a portion of natural gas used to generate power at its Brentwood Plant in Long Island.

Mr. Van Auken ended that the Authority’s drive to remain agile and responsive underscores all of its Strategic Priorities and Foundational Pillars, including its commitment to safety. The asset management system plays a key role in fostering this agility, which is critical as NYPA looks to achieve its strategic objectives.
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.

Trends Impacting Energy Markets
The Authority continues to focus on its VISION2030 Strategy which calls for preserving and enhancing the Authority’s hydropower. Commercial Operations’ focus is on supporting the transition from fossil fuels and supporting the decarbonization initiatives of the State and the Authority’s customers. The longer-term objectives have not changed; however, the Authority is currently dealing with some head winds. This report will provide some detail around the energy markets and the trends impacting the Authority’s near-term and medium-term performance in terms of its generation portfolio.

Some of the strongest results this year were in January and February, before the invasion of Ukraine, when there were colder than average temperatures. During the COVID-19 Pandemic, gas producers halted the supply because market prices were below 20 cents/MMBTU; today, it is $8/MMBTU. At the beginning of the year, in the first quarter, there was a supply/demand issue in terms of the gas being available to generate power which pushed the prices up and enabled the Authority to capture those incremental revenues during the winter months. Also, because of the Ukrainian invasion, the U.S. has been maxing the exports of LNG out of the country, and Europe has been maxing the imports of LNG into Europe. Although there has been a slight settling of market forwards, on a day-to-day basis, there is a lot of volatility in the market.

Merchant Hedge Status as of April 15
The Authority met its hedging targets entering 2022. The Authority has been taking advantage of some of the higher prices in the energy markets to accelerate meeting its hedging targets for 2023.

It is anticipated that through the end of the year, with the expected value and the existing forwards, the Authority will be ahead of the budget.

Economic Development
During Covid-19 pandemic, the Authority continued to allocate power to its customers and continued to look for ways to support the development of the economy and the livelihoods of New York residents.

One of the areas in which the Authority is looking to continue to support that goal is building on EDCAP 1.0 and EDCAP 2.0, which were the bill deferment for six months and the temporary power allocations to existing customers above what they are currently receiving. The Authority is also looking to support the deferral of the energy cost adjustment clause that typically would take place relative to NYPA’s tariff rates. Therefore, NYPA, in support of all its customers, is looking at not increasing prices, despite the fact that the formula would lend itself for the Authority to do so.

Trends Impacting NYPA’s Customer Business Lines

Macroeconomics
Some of the trends impacting NYPA’s customer business lines include inflation and supply chain constraints as they impact NYPA’s business lines such as EV charging implementation and Distributed Energy Resources which is solar plus storage. There are also challenges to solar with the penalties resulting from solar tariff circumvention which is solar panels being passed through other Asian countries to reduce the amount of tariffs, resulting in freezing many of the imports and in approximately 30 percent of the utility-scale solar projects in the U.S. being canceled.

NYPA is looking at developing projects Behind the Meter in the SENY region, Manhattan and other very congested urban areas which deal with even more complex technical upgrades which can lead to higher
costs and longer assessment and permitting times from the local distribution utilities. Despite the challenges, Commercial Operations is confident that it will be able to meet its goals for this year.

In 2023 and onward, despite concerns around the pipelines, Commercial Operations will work with Procurement staff to identify ways to add more vendors into the portfolio.

Commercial Operations will need to manage the expectations of the customers in terms of the prices that they are going to get for Purchase Power Agreements. In addition, they will need to continue to push the developers to honor the prices that they agreed to.

**Regulatory Landscape**
Commercial Operations sees a fair amount of funds coming in the Infrastructure Investment & Jobs Act (“IIJA”) to support electrification of the transport industry in addition to large critical infrastructure such as transmission. Working with the Department of Transportation in New York, and with the transit agencies, the Authority will ultimately be able to support some of the work it is doing in the EV charging space in order to accelerate the reduction of greenhouse gases in the transport industry.

As it relates to the future of the Build Back Better Act, the Authority is working very closely with the Chamber and with their D.C. office to ensure that NYPA can be supporting of any other funds coming into the State.

**Customer Insights**
Based on interviews with NYPA’s customers, they indicated that they are at the beginning of the decarbonization journey. As Interim President Justin Driscoll indicated earlier, this is an area in which NYPA can lead because, ultimately, the Authority’s technical energy experts and advisors are bringing to the market developing products that are going to help the Authority’s customers navigate that clean energy transition; the virtual power plants is an example.

The Authority is also looking at more integrated offerings to bring together, in a more comprehensive portfolio, all of the technologies that it has to bring to its customers.

**Greenhouse Gas Emissions**
The year-end target for greenhouse gas emissions is about 23,000 metric tons reduction. As reported on the scorecard, year-to-date the Authority is at about 4500; however, the Authority will not overly exceed its year-end target but will be beyond the target by the end of the year.

**March YTD Results**
Commercial Operations is confident that it will meet the year-end targets for capital spend for energy efficiency projects as well as the signing of the customer contracts for fast charging facilities.

d. **Chief Financial Officer’s Report**

Mr. Adam Barsky, Executive Vice President and Chief Financial Officer, provided highlights of the report to the Board.

**Year-to-Date Actuals Through April 30, 2022**
Through the end of April, Net Income was $68 million, $32 million ahead of the Budget Plan, and most of which is from increased margins from generation. He said that because of the higher prices, some of that money is offset and some goes into the monetized funds for the benefit of the Authority’s customers. Transmission revenues are ahead of the budget plan; Non-Utility revenues are behind, but this is due to a timing difference. Also, off the target is a mark-to-market unrealized loss due to higher interest rates and its impact on the Authority’s investment portfolio. This is a non-cash item and since the Authority hold its securities to maturity, this will zero out by maturity.
2022 Year-End Projection

Year-end Net Income is projected to be $100 million, which is $41 million above the Budget Plan. Generation is projected to be higher ($121,911) because of higher energy prices.

As previously reported, the Authority’s customer revenues and energy revenues are higher, some of which is offset by the amounts put into monetized funds for their benefit. While the budget target at the beginning of the year was $7 million, the end of year forecast is $38 million.

Included in this forecast is an item on the Consent Agenda requesting the members’ approval to waive the increase for certain of the Authority’s customers’ annual adjustment to help them deal with higher costs due to inflation, other pressing issues to support economic development, and due to an increase of some of the Authority’s merchant revenues. This action will save them $7 million over the course of a year. The Authority is also evaluating several programs to see how it can further assist its customers and will come back to the Trustees for their approval.

Transmission is also projected to be higher at $18 million. This may be higher depending on the Authority’s Annual Transmission Requirement which is currently being finalized. An update of this will be provided to the members in July.

As it relates to higher interest rates and its impact on the investment portfolios, as previously mentioned, this is temporary. Nevertheless, the Authority will see some impacts based on the Stock Market’s performance on the Authority’s Pension Expense this year as well as some OPEB impact based on the Stock Market’s performance. The members will be provided additional updates as those become clearer in the future.

Mr. Barsky ended that it is a good sign that the Authority is operating ahead of the budget target. The Authority will endeavor to continue to maintain this track and do what it can to lock in some of its revenues in the future to be able to solidify its Financial Plan over the next four years.

NYPA Captive Formation

NYPA Captive Insurance formation is in support of its VISION2030 goals to become more resilient and to better manage its risks. As previously mentioned, the Legislature passed a Bill authorizing NYPA to create its own subsidiary Captive Insurance company (“Captive”). The Governor signed the Bill into law on May 9, 2022. On the Consent Agenda is a request for the members to approve a contract to hire a Captive Manager, Marsh USA, Inc., (“Marsh”), for a five-year term. Marsh is a leader in this area and have provided this service for other entities such as the MTA and the Port Authority; therefore, NYPA will benefit from the company’s experience.

Captive Advantages

The advantage of Captive is that it will allow NYPA to better insure risks across the board. Namely, NYPA will have access to the Terrorism Risk program to handle terrorist-related events; cyber-related events have now been included in the federal government’s Terrorism Risk Insurance pool. It will also allow NYPA to lower its cost of insurance and to access their insurance market; and tailor insurance policies to meet the Authority’s needs, e.g., the Authority’s transmission assets which are currently not insured.

The Authority will be able to create stop loss Insurance for its self-insured Health Plan, on a case-by-case basis, the cost of which have increased significantly. Markets were not available to the Authority for an aggregate Stop Loss on its health insurance; however, the Authority will be able to tailor one under Captive to meet that need. In the future, the Authority will explore other risks such as catastrophic events with low probability/high impact which are currently difficult to insure.
Initially, Captive will make sure that it has access to that terrorist risk insurance pool as soon as practical. The Authority will then continue to look at all other areas of its risks to put into the Captive. And, as it gets built-up over time, the Authority will be able to cover more items and not only save on premiums, but also increase the dollar amount of coverage for a variety of different risks including difficult to insure and uninsurable risks such as an unexpected drop in hydro flow.

Mr. Barsky ended that staff will be requesting further Board actions to set up the By-Laws of the corporation, officers, and other necessary actions once the Captive Manager is on board. The members will be provided with more information in this regard.

e. **NYPA Development Report**

   Mr. Philip Toia, President of NYPA Development provided highlights of the report to the Board. He said that this is the first of the team’s regular update to the Board on the status of NYPA Development projects.

   The team continues to work on projects that are aligned with, and support VISION2030 and the State’s CLCPA goals. The team is focused on competitive transmission projects, large-scale renewable interconnections, and grid-scale energy storage. These projects will help NYPA to become the leading transmission developer, owner, and operator for New York State, as well as help to preserve the value of hydropower and pioneer the path to decarbonization.

   In this past year, the team has identified several projects that meet these objectives. They are also staying current with technological advances as well as remaining engaged in industry and regulatory changes, so that they can identify opportunities for NYPA Development to compete in these processes to help meet the State’s CLCPA goals and support the Authority’s VISION2030.

**Growing NYPA’s Transmission Asset Base**

**Active Transmission Projects**

NYPA Development have identified several aspects of focus for its existing assets so that the Authority will be well-positioned to facilitate the integration of renewable energy throughout the State. The Authority will therefore have a competitive advantage based on its existing asset base, and its experience in developing and operating transmission assets across the state.

Mr. Toia then provided updates on the five projects that are currently in various stages of active construction, licensing, or development.

- **Smart Path**
  NYPA is in the process of rebuilding its first assets, the Moses-Adirondack lines that runs from the St. Lawrence facility south to the Lowville, New York area. Construction for these lines is on track with the latest segment completed ahead of schedule. The remaining segments are on schedule with project completion expected in 2023.

- **Smart Path Connect**
  The Smart Path Connect project is currently in the Article 7 process, the requirements of which have been completed. NYPA is now waiting for the Public Service Commission to issue that Article 7 Permit so that it can proceed with construction. Staff is currently working on material and construction contracts for the project. Construction for the first portion, which was previously certified under Article 7 for the Smart Path project, will start in July. As soon as the Article 7 permit is issued the Authority will commence construction on the remaining portion of that line.
• **Central East Energy Connect**
NYPA is working on this project with LS Power, New York. This was a competitive process through the New York Independent System Operator (“NYISO”) and was awarded several years ago. Construction is on track with the latest segment currently underway. This project is on track for completion in 2023.

• **Clean Path New York**
The Clean Path New York project was the result of a competitive process through NYSERDA’s Tier Four Solicitation. NYPA worked on that solicitation with Forward Power. In April, the Public Service Commission authorized the contract that Forward Power has with NYSERDA, and NYPA is currently working with the Forward Power team on preliminary engineering, line routing and preparation for the Article 7 filing later this year.

• **Propel New York Energy**
The Propel New York Energy Project is the result of a competitive solicitation with the NYISO in Southeastern New York. This is a Public Policy Transmission Needs Solicitation project to integrate offshore wind into the Long Island, New York City area. Six of NYPA’s seven proposals have made it through the first viability and sufficiency phase with the NYISO. NYPA is working on this project with New York Transco. The team is supporting any information request from the NYISO to assist with the evaluation phase and expects the project to be awarded later this year.

Mr. Toia ended that, with the exception of the Propel New York Energy Project, these assets are not only well-positioned throughout the state, but they are also utilizing existing rights-of-way, rebuilding or upgrading existing lines in order to get more out of the existing infrastructure to get renewable energy, as well as un-bottle some of the Authority’s hydro assets that are located in the same areas as those wind resources. The team is working on getting more out of the existing system and using NYPA’s existing asset base to help facilitate VISION2030 and the CLCPA targets. Further updates, not only on the existing projects, but other opportunities that the team is working on, will be provided at upcoming meetings.

**Project and Business Development**
Mr. Girish Behal, Vice President of Project and Business Development provided an update on the Joint Development Agreement (“JDA”) with New York Transco. He said that the Authority has been working with New York Transco with the development the Propel New York Project. As part of that development, the Authority and NY Transco submitted seven (7) Propel NY Energy proposals in response to New York Independent System Operator’s (“NYISO”) Request for Proposals. Six proposals have advanced to the evaluation stage. The Authority is working on the JDA with New York Transco which establishes project development responsibilities and long-term operation and maintenance. Staff is requesting the Trustees’ authorization to enter into the Joint Development Agreement with Transco.

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

i. **Propel NY Project Proposal – Joint Development Agreement with NY Transco**

RESOLVED, that the Board of Trustees approves New York Power Authority’s (the “Authority”) execution of the Joint Development Agreement, subject to the conditions imposed by the Board of Trustees, between the Authority and NY Transco for the development and construction of the Propel NY Energy project in the event the New York Independent System Operator (“NYISO”) selects the project as part of the Southeastern New York Public Policy transmission Needs process; 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 Executive Vice President and Chief Financial Officer and the Interim Executive Vice President and General Counsel.

f. Finance & Risk Committee Report

Chair Tracy McKibben provided the following report:

“The Finance and Risk Committee (the “Committee”) met on April 26, 2022 and considered and recommended the following resolutions which are now before the Board of Trustees (the “Board” or “Trustees”) for adoption.

i. Finance & Risk Committee Recommendations for Approval:

On motion made by member Dennis Trainor and seconded by member Bethaida Gonzalez, the following resolutions, as recommended by the Interim President and Chief Executive officer, were unanimously adopted.

1. Release of Funds in Support of the New York State Canal Corporation

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

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

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

RESOLVED, That the Finance and Risk Committee recommends that the Trustees affirm that the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer, the Interim Executive Vice President 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. Transmission Line Construction Contract Award Smart Path Connect Project

RESOLVED, That the Finance and Risk Committee recommends that the 
Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the 
Authority and the Authority’s Expenditure Authorization Procedures, the award of a six-
year construction contract to Michels Power Inc. in the not-to-exceed amount of $276 

million as recommended in the report of the Interim President and Chief Executive 

Officer; and be it further

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

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

RFP # Q21-7249MR

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.

3. Control Enclosures and Relay Panels On-Call Contract Award

RESOLVED, That the Finance and Risk Committee recommends that the 
Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the 
Authority and the Authority’s Expenditure Authorization Procedures, the award of a ten-
year on-call equipment contract to Wunderlich-Malec Services, Inc. in the not-to-exceed 
amount of $36 million, with interim approval in the amount of $1.5 million, as 

recommended in the report of the Interim President and Chief Executive Officer; and be it 
further

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

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Contract Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wunderlich-Malec Services, Inc.</td>
<td>$36,000,000</td>
</tr>
<tr>
<td>Eden Prairie, MN</td>
<td></td>
</tr>
</tbody>
</table>

RFP # Q21-7253MR
AND BE IF 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.

4. Technology Co-Sourcing Value Contracts – Increase in Value and extension of contract period

RESOLVED, That the Finance and Risk Committee recommends that the Trustees increase the Information Technology personal service contracts for co-sourcing by $12 million to a new total value of $67 million in the amount listed below; and be it further

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

<table>
<thead>
<tr>
<th>Contract Award</th>
<th>Increased Contract Award Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ernst &amp; Young LLP</td>
<td>$ 55,000,000</td>
</tr>
<tr>
<td>Deloitte Consulting LLP</td>
<td>$ 12,000,000</td>
</tr>
<tr>
<td>Cognizant Technology Solutions</td>
<td></td>
</tr>
<tr>
<td>Previous Authorization</td>
<td>$ 55,000,000</td>
</tr>
<tr>
<td><strong>Current Request</strong></td>
<td><strong>$ 12,000,000</strong></td>
</tr>
<tr>
<td>Total Authorized Amount</td>
<td><strong>$ 67,000,000</strong></td>
</tr>
</tbody>
</table>

RFP # Q17- 6135RM

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

RESOLVED, That the Finance and Risk Committee recommends that the Trustees approve waiver of the Authority’s Agreement Article 22 “STEEL COMPONENTS” that the purchasing of steel be produced or made in whole or substantial part in the United States or its territories or possessions, in compliance with Public Authorities Law §2603-a for instrument transformers, as recommended in the report of the Interim President and Chief Executive Officer; and be it further
RESOLVED, That the Authority will use Capital or Operating Funds, which may include proceeds of debt issuances, to finance the costs of the projects.

**Contractor**

Hitachi Energy USA  
Raleigh, NC

Trench Industries Ltd.  
Scarborough, Ontario, Canada

**RFP # S21-3091MW**

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice 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.

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

RESOLVED, That the Finance and Risk Committee recommends that the Trustees approve waiver of the Authority's Agreement Article 22 "STEEL COMPONENTS" that the purchasing of steel be produced or made in whole or substantial part in the United States or its territories or possessions, in compliance with Public Authorities Law §2603-a for current limiting reactors, as recommended in the report from the Interim President and Chief Executive Officer; and be it further

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

**Contractor**

Trench Industries Ltd.  
Scarborough, Ontario, Canada

**RFP # Q22-7267AP**

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice 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.
3. CONSENT AGENDA:

On motion made by Member Bethaida Gonzalez and seconded by Member Anthony Picente, Jr., the Consent Agenda, and the following resolutions as recommended by the Interim President and Chief Executive officer, were unanimously adopted:

a. Commercial Operations

i. Economic Development Power Programs –Customer Cost Mitigation Measures

RESOLVED, That the Trustees hereby authorize the deferral of annual compliance action for (1) business customers enrolled in the Recharge New York (“RNY”) Power Program for the annual compliance period running from July 1, 2020 to June 30, 2021, and (2) business customers enrolled in the Expansion Power (“EP”), Replacement Power (“RP”) and Preservation Power (“PP”) Programs for the annual compliance period running from January 1, 2021 to December 31, 2021, for the reasons described in the report of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Trustees hereby authorize the Authority to temporarily suspend application of the Annual Adjustment Factor, applicable pursuant to tariff to customers enrolled in the Authority’s economic development power programs (RNY Power, EP, RP and PP), which would otherwise be scheduled to apply to energy and demand rates annually as of July 1st, for a period of one year from July 1, 2022 through June 30, 2023, for the reasons described 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 and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.

ii. Replacement Power Allocations

RESOLVED, That an allocation of 3,900 kilowatts of Replacement Power be awarded to GM Components Holdings, LLC for a term of 10 years for use at the company’s Lockport, New York facility as detailed in the report of the Interim President and Chief Executive Officer, be and hereby is approved, subject to rates previously approved by the Trustees; 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.
iii. **Recommencement and Extension of Hydropower Contract with National Grid for the Benefit of Rural and Domestic Consumers and Transmittal to the Governor**

RESOLVED, That the 2022 Agreement to Recommence Service Under the 1990 Service Agreement, As Amended” (“2022 Agreement”) is approved; and be it further

RESOLVED, That the 2022 Agreement be submitted to the Governor for review with a request that the 2022 Agreement be approved, and that copies of the 2022 Agreement 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 pursuant to Public Authorities Law (“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.

iv. **Contracts for the Sale of Hydro Power – Final Approval and Transmittal to the Governor**

RESOLVED, That the 2022 Agreement to Recommence Service Under the 1990 Service Agreement, As Amended” (“2022 Agreement”) is approved; and be it further

RESOLVED, That the 2022 Agreement be submitted to the Governor for review with a request that the 2022 Agreement be approved, and that copies of the 2022 Agreement 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 pursuant to Public Authorities Law (“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.

b. **Procurement (Services) Contracts**

   i. **Procurement (Services and 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 referenced hereto, are hereby approved for the period of time indicated, in the amounts and for the purposes listed therein, as set forth in the report 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 referenced hereto, are hereby approved and extended for the period of time indicated, in the amounts and for the purposes listed therein, as set forth in the report 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 General Counsel.

ii. **Long-term Operations Agreement to the Discover Niagara Shuttle Service**

RESOLVED, That pursuant to the Authority’s Guidelines for Procurement Contracts and Expenditure Authorization Procedures, a two-year contract for the operations of shuttle service and support expenditures up to the amount of $500,000 are hereby approved for the Niagara Falls National Heritage Area’s Discover Niagara Shuttle, as recommended in the report of the Interim President and Chief Executive Officer; and 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.

c. **Digital Innovation and Transformation**

i. **Disposition of Excess Fiber Capacity under Public Authorities Law §1005(29) and Initial Pilot Program under New York State ConnectALL Initiative**

RESOLVED, That pursuant to the recently enacted Public Authorities Law Section 1005(29), the disposition of fiber optic communications capacity that entails entering into lease agreements with other state instrumentalities and municipal entities for the use of excess capacity in the Authority’s fiber optic communications infrastructure to provide affordable, high-speed broadband in unserved and underserved communities in the state is deemed feasible and advisable, and is hereby authorized; and be it further

RESOLVED, That the expenditure of up to $10 million to support a pilot project under the New York State ConnectALL Initiative, with the understanding that the Authority’s expenditures for the pilot project will be reimbursed by the grant funding committed by the Economic State Development Corporation (“ESD”) is hereby authorized; 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.

d. Governance Matters

i. Approval of the Minutes:

1. Minutes of the Annual Joint Meeting of the New York Power Authority’s Trustees and Canal Corporation’s Board of Directors held on March 29, 2022

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 March 29, 2022 were unanimously adopted.

4. 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 Balboni and seconded by Trustee Trainor, the members held an Executive Session.

5. Motion to Resume Meeting in Open Session

Mr. Chairman, I move to resume the meeting in Open Session.” On motion by Trustee Picente and seconded by Trustee Gonzalez, the meeting resumed in Open Session.

Chairman Koelmel said that no votes were taken during the Executive Session.

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 July 26, 2022 unless otherwise designated by the Chairman with the concurrence of the Trustees.
Closing

On motion made by Trustee Trainor and seconded by Trustee Gonzalez, the meeting was adjourned at approximately 11:30 a.m.

Karen Delince
Karen Delince
Corporate Secretary
8. **Next Meeting**

The next joint meeting of the New York Power Authority’s Board of Trustees and the Canal Corporation’s Board of Directors will be held on September 29, 2022, unless otherwise designated by the Chairman with the concurrence of the members.