



**MINUTES OF THE JOINT MEETING
OF THE FINANCE COMMITTEE
May 14, 2020**

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

Members of the Finance Committee present were:

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

Anthony Picente, Jr. -- Excused

Also in attendance were:

Gil Quiniones	President and Chief Executive Officer
Justin Driscoll	Executive Vice President and General Counsel
Adam Barsky	Executive Vice President and Chief Financial Officer
Joseph Kessler	Executive Vice President and Chief Operations Officer
Kristine Pizzo	Executive Vice President and Chief Human Resources & Administrative Officer
Sarah Salati	Executive Vice President and Chief Commercial Officer
Lee Garza	Senior Vice President – Financial Operations
Keith Hayes	Senior Vice President – Clean Energy Solutions
Yves Noel	Senior Vice President – Strategy and Corporate Development
Soubhagya Parija	Senior Vice President and Chief Risk Officer
Robert Piascik	Senior Vice President and Chief Information Officer
Karen Delince	Vice President and Corporate Secretary
Daniella Piper	Vice President – Digital Transformation / Chief of Staff
John Canale	Vice President – Strategic Supply Management
Joseph Leary	Vice President – Community and Government Relations
Patricia Lombardi	Vice President – Project Manager
Anne Reasoner	Vice President – Budgets & Business Controls
Ethan Riegelhaupt	Vice President – Corporate Communications
Scott Tetenman	Vice President – Finance
Thakur Sundeep	Controller
Christina Reynolds	Treasurer
Susan Craig	Director – Media Relations
Kerri Ahern	Manager – Customer Digital Experience
Jesse Scott	Manager – Key Account Management
Christopher Vitale	Senior Finance Project Manager
Eric Park	Lead Program Engineer I – Energy Efficiency
Melinda Li	Principal Attorney I – Finance & Bonds
Lorna Johnson	Senior Associate Corporate Secretary
Sheila Quatrocci	Associate Corporate Secretary
Michele Stockwell	Project Coordinator – Executive Office
Lori DeMichele	Board Travel Specialist

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

Introduction

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

1. **Adoption of the May 14, 2020 Proposed Meeting Agenda**

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

Conflicts of Interest

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

Vice Chair Nicandri said that, in the interest of transparency, he wanted the records to show that a member of the Law firm Barclay Damon LLP (#4a iv 1) did some estate planning work for his family three years ago. He does not have any ongoing matters with the firm.

2. **Motion to Conduct an Executive Session**

Mr. Chairman, I move that the Committee conduct an executive session to discuss the financial and credit history of a particular corporation and matters regarding public safety and security pursuant to Section 105 of the Public Officers Law. On motion made by member Michael Balboni and seconded by member Dennis Trainor, the members conducted an executive session.

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

I move that the meeting resume in open session. On motion made by member Dennis Trainor and seconded by member John Koelmel, the meeting resumed in open session.

4. DISCUSSION AGENDA

a. President and CEO Covid-19 Progress Report

President Quiniones provided a progress report on the Authority's response to the COVID-19 pandemic (Exhibit "4a-A"). He said that, in January, NYPA set up an internal Task Force to track Covid-19 in Asia. The Authority has Quality Control Engineers stationed in Asia and Europe who conduct factory acceptance testing and quality control of the equipment that NYPA purchases from those regions. As a result of information provided by the engineers, NYPA pulled its engineers and set up a Task Force to closely monitor those areas.

In February, NYPA refreshed its Pandemic and Business Continuity Plans; and, early March, set up its Emergency Management Operations Center – the incident command structure process. He commended staff, both at NYPA and Canals, for stepping up and managing and responding to the crisis.

In March, the Authority had up to eight employees who tested positive for Covid-19, and up to 30 were in quarantine. It is now down to zero with positive result and seven who are self-isolating and quarantining. In general, similar to the state, NYPA is on the other side of the curve.

NYPA successfully paused many of its activities such as capital, O&M, and non-essential work, with the exception of those employees needed to keep the operations both at NYPA and Canals safe. Also, with the assistance of the IT group, within five days, NYPA was able to have its employees work from home. Because of the uncertainty of what was ahead, the best strategy for NYPA was not only to stop non-essential work, but also bolster its flexibility and liquidity.

NYPA Status and Next Steps

- NYPA was able to issue up to \$1.2 billion in long-term bonds because of NYPA's financial strength.
- The Governor announced that some businesses, especially in upstate New York, can start reopening because they have met the seven-metric rule set under "New York Forward." For example, the Mohawk Valley, Finger Lakes, the Southern Tier and, recently, the North Country, have met those seven metrics. The Capitol region and Central New York are close to meeting those metrics. NYPA is in the process of finalizing its Return to Work ("RTW") re-entry plans, details of which will be provided to the Board at its meeting on May 19th.
- NYPA is designing its processes for operations at NYPA and Canals in preparation for a potential second wave of COVID-19 in the fall and winter, coincident with the flu season.
- With the summer season approaching, the Operations team is working on implementing the "Summer Preparedness" program for both NYPA and Canals in the event of summer heat waves and the storm/hurricane season.
- NYPA continues to support other state agencies with their response to the COVID-19 crisis. Many of its employees have volunteered to help the Department of Labor to answer phone calls and assist unemployed New Yorkers with their filing for unemployment insurance. In addition, NYPA and Canals' employees are assisting the Emergency Operations Center to, for example, transport test samples from collection sites to the state lab for analysis.

2020 A and 2020 B Bond Issue

Mr. Adam Barsky, Executive Vice President and Chief Financial Officer, provided an update on the outcome of the Authority's 2020 Bond Issuance, the pre- and post-issuance liquidity position and the

flexibility position of NYPA. He said that, in accordance with the schedule provided to the Board in March when staff requested the Board's authorization to proceed, on May 12, 2020 the Authority closed the bond issue for over \$1.2 billion, most of which was tax exempt; \$114 million was taxable. The Authority was able to secure an interest rate which was the lowest on record for NYPA. This was reflective of NYPA's credit ratings and the historical low-rate environment, albeit very difficult volatile market. NYPA will now be able to fund its capital programs and bolster its liquidity.

In addition, for the first time, NYPA issued certified Green Bonds. Approximately \$790 million of the capital projects qualified under Green Bond principles. This is a designation supported by a second-party opinion which is noted on the Bond Issue. In addition, it helps to market the bonds since some investors are specifically looking towards purchasing green-oriented investments. This widens the pool of investors and, over time, will have more meaningful value in the marketplace.

Maturities of the Bond Issue

Maturities of the Bond Issues were at 30 years, 35 years, and 40 years. Many of these assets have an asset life of 53 years; therefore, NYPA financed some of the larger projects it has with the longest useful life.

In addition, NYPA restructured the bond issue by aligning its assets and liabilities so that its debt service schedule is aligned with the revenue streams associated with these assets.

Liquidity

Total liquidity is the sum of cash on hand and the remaining capacity of commercial paper facility. Days liquidity on hand is the sum of cash on hand and the remaining capacity of the commercial paper facility and new bank revolver divided by the current daily cash burn.

In general, in terms of days of cash on hand or NYPA's liquidity, to maintain its AA metrics, NYPA tries to target a range between 150 and 200 days' cash on hand and were starting to run at the lower end; this resets it and puts NYPA in a very good liquidity position. In addition, as NYPA's capital plan is financed for the next few years, it puts NYPA in a very good position.

Mr. Barsky ended by saying that, having gone through the Bond Issuance process with the rating agencies and having them affirm its credit ratings, is also an external validation that NYPA is well-positioned to withstand the "storm," and operate in an exemplary way.

i. **Risk Management**

1. Risk Management Update

Mr. Soubhagya Parija, Senior Vice President & Chief Risk Officer, provided an update on the Risk Management activities and what the team is doing in terms of refreshing NYPA's risk perspective (Exhibit "4a i-1-A"). He added that there is no overstating the scale and magnitude of the impact of the COVID-19 pandemic, both in the short- and long-term, with ever increasing uncertainties.

He continued that current work efforts are focused on garnering insights to allow for risk-informed decisions that would enable the Authority to successfully continue to fulfill its mission. NYPA's management has taken the necessary steps to bolster liquidity and strengthen the financial health of the company, and the health and safety and its customers. Risk Management has been working diligently in the background to support several of the key management systems.

The four categories of Risk Management activities are as follows:

1. Enterprise Risk

- Revamped the risk assessment process levels in technology to make the process more efficient.
- Created a Covid-19 Risk Register to capture, not only the associated risks as the Authority faces a new normal, but also to mitigate strategies that will help the business in the long run.
- Used the insights gathered from the risk assessment process to help management prioritize its capital deployment program under a tighter budget.
- Continued to roll-out its EGRC platform to various business units by providing training conducted by its in-house team.

2. Operational Risk

- Performed stress tests on the credit risk of both trading and non-trading counterparties' credit rating downgrades.
- Continues to support the merchant trading portfolio by maintaining the system and ensuring governance to the Executive Risk Management committee.

3. Business Risk

- Assisted Finance (execute or hedge) to manage the exposure of the aluminum price risk rising out of their contract. The team have also provided analytical support to define investment strategy for the OPEB assets; and have also helped with the strategy for new projects being launched by Commercial Operations under its expanded authority.
- Risk Management is working on developing a robust model risk governance process.

4. Insurance Risk

- Risk Management have been able to renew most of its policies with modest increase in premium, which is below what its peers are facing.
- Completed the renewal of the Authority's D&O Policy with only 1.2 percent increase in premium, while making the policy coverage bigger. The industry is seeing an increase of 15 to 50 percent in these premiums.

- Because the market is becoming increasingly challenging, the team is leading discussions with a peer group from the Large Public Power Council ("LPPC"). The team have completed the due diligence for entities so that NYPA will be ready to act as soon as it receives legislative approval.
- Risk Management is planning to use technology for its policies and claims by leveraging its existing EGRC platform.

ii. **Enterprise Operations**

1. **Small Clean Power Plant LM6000 Master Service and Parts Agreement – Recommendation for Contract Award**

The President and Chief Executive Officer submitted the following report:

SUMMARY

The Trustees will be requested at their May 19, 2020, meeting to approve a ten-year contract award in the amount of \$80 million to GE Package Power LLC ('GE') of Houston, Texas, for the Small Clean Power Plants ('SCPP') LM6000 Turbine and Generator Repairs, Maintenance and Upgrades and New Technology.

Section 2879 of the Public Authorities Law and the Authority's Guidelines for Procurement Contracts require the Trustees' approval for procurement contracts involving services to be rendered for a period in excess of one year. Additionally, in accordance with the Authority's Expenditure Authorization Procedures ('EAPs'), the award of non-personal services contracts exceeding \$6 million requires the Trustees' approval.

The Finance Committee is requested to recommend to the Trustees the approval of a ten-year contract award in the amount of \$80 million to GE for the SCPP LM6000 Turbine and Generator Repairs, Maintenance and Upgrades and New Technology.

BACKGROUND

The New York Power Authority (the Authority) owns and operates eleven (11) LM6000 Gas Turbines in the Southeast New York ('SENY') region. Ten (10) units are located at six (6) SCPP Locations within New York City, (1) in Suffolk County Long Island.

Agreed-upon services include, but are not limited to, the performance of on-site maintenance, service center maintenance including both scheduled and unscheduled work, mini-overhauls, emergency repair support and the provision of spare parts at a discounted rate for the eleven LM6000 PC Gas Turbine Generator Packages. The NYPA fleet has been effectively maintained and serviced by GE, the original equipment manufacturer ('OEM'), since its inception. Both scheduled and unscheduled service on-site as well as at the GE repair service center has been performed with satisfactory results. In the event of an unscheduled, emergency repair, GE has demonstrated the consistent capacity to support the Authority's efforts to maintain the high level of performance, reliability and availability required of the NYPA fleet. There have been no problems related to Warranty issues, or to GE's response time for unscheduled events.

This contract will cover the costs associated with the scheduled work necessary to maintain the eleven 18-year old turbines. This includes, but is not limited to, turbine and generator inspections, overhauls, turbine hot section inspections and replacements, borescope inspections and trouble shooting. The funding associated with this agreement was also calculated to absorb any failures that may occur on the covered equipment.

This agreement will also provide a GE Leased Engine under a pre-determined rate schedule. When directed by NYPA, GE will provide a lease engine within (96) hours of written request. The lease engine will cover the NYPA SCPP Fleet of LM6000 engines and generators in the event of an engine failure.

As a result of new technologies, and trying to meet the Governor's mandate of emissions reduction, GE is developing newer technologies, the Hybrid EGT Solution designed to couple batteries to the Gas Turbine to help Grid stability with renewable intermittent resources. GE is also testing newer

combustion technologies which will help reduce the emissions emitted from the Authority's units. Both the New Hybrid Solution and emerging technologies, especially in the combustion areas, will assist in meeting the Governor's mandate of carbon reduction, the cost of running the SCPPs over a ten-year period has increased.

DISCUSSION

In response to the Authority's Request for Proposal ('RFP'), Inquiry No. Q18-6522DKT was issued through the Authority's Ariba system and was advertised in the New York State *Contract Reporter* on September 21, 2018. Five firms were invited into the Ariba Event with thirty firms having viewed the RFP on the Strategic Supply Management ('SSM') website. Two firms attended the site visit on October 1, 2018. Six bid addenda were issued via Ariba answering bidders' questions, clarifying technical scope aspects, and changing the bid due date. On October 29, 2018, two proposals were received from GE and ProEnergy Services of Sedalia, MO, to provide scheduled maintenance services as well as emergency repair, support services and engineering, turbine, and generator upgrades for the SCPP LM6000 Gas Turbine fleet. This is a time and materials contract including lease rates for a loaner engine.

The proposals were reviewed by an Evaluation Committee comprising of the following staff members: SENY Operations (K. McCoy, T. Zandes) SSM (D. Keough, K Turvey).

Consistent with the Authority's Procurement Policy, the proposals have been evaluated for price, proposal completeness, schedule, warranty, exceptions taken to the Bid Documents, experience, quality control, safety, and environmental plan.

GE Packaged Power LLC

GE's proposal was complete, and technically qualified to provide these services. GE is the current holder of the contract and is the OEM of most of the equipment. Per GE's proposal, the company will provide a fleet of rotatable spare parts to develop a maintenance strategy that is utilized by the fleet to make scheduling easier. The module rotatable approach was developed under the last contract with the LPT Lease Program and has proven to be a beneficial approach to both GE and NYPA, resulting in a reduction of outage time, schedule being met, the ability to work on modules during off peak seasons, and reduction in overtime to meet the schedules. The Lease engine agreement is unique to the Authority's contract, since the Authority does not utilize the lease often and use it on an emergency basis only; the onetime fee and cost for run time is a considerable savings to NYPA. GE also offers discounted pricing on parts off the GE published list pricing. The Authority also receives a discount for tooling and GE does not charge for the shipping container rental when the turbines require service center work.

In addition, GE will provide 24-hour on-call engineering and field support services under this contract.

NYPA has partnered with GE Engineering on several occasions to develop maintenance strategies and engineering improvements to the turbine and auxiliary equipment that GE has adapted at other facilities. This is a testament to the relationship approach and not just a maintenance and repair contract.

GE has taken several exceptions in its Proposal. All terms and conditions have been mutually agreed upon.

ProEnergy

ProEnergy's proposal was complete and is technically qualified to perform the services; however, based on best value, ProEnergy's pricing ultimately was higher in the overall cost for the contract life. ProEnergy's proposal also indicated that parts and tooling will be marked up from GE's list prices. Also, shipping container rental charges will apply, and test cell costs were considerably higher than GE's when

performing work in their service center which adds additional costs for this contract. In addition, ProEnergy's costs to provide the lease of an engine is much higher than GE's proposal. Based on the above, the added costs and the annual fee for the lease engine program increases ProEnergy's proposed bid to be higher than GE's.

FISCAL INFORMATION

This contract is a Transactional Agreement. All funds will be released into individual Purchase Order Requests that will abide by, and follow, all of the Authority's EAPs. Maintenance on the SCPP In-City GT Fleet is budgeted out for 10 years and is represented in the Regional Asset Management Plan ('RAMP'). All currently identified risks associated with the Fleet are documented in the risk registry. All projects upgrades will be clearly defined in the Utility Operations Project Portfolio ('UOPP') and proceed through the UOPP Approval processes.

RECOMMENDATION

It is requested that the Finance Committee recommend that the Trustees approve a ten-year contract award in the amount of \$80,000,000 to GE Package Power LLC., required for the Turbine and Generator repairs, maintenance and upgrades of the Small Clean Power Plant LM6000 Fleet."

Mr. Joseph Kessler, Senior Vice President and Chief Operations Officer, provided highlights of staff's recommendation to the committee.

On motion made by member John Koelmel and seconded by member Michael Balboni, the following resolution, as recommended by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Finance Committee recommends that the Trustees approve a ten-year contract award in the amount of \$80,000,000 to GE Package Power LLC of Houston, Texas for the Small Clean Power Plants LM6000 Fleet Turbine and Generator maintenance, repairs, and upgrades.

<u>Contractor</u>	<u>Contract Amount</u>
GE Package Power LLC.	
Houston, TX	<u>\$80,000,000</u>
(Q18-6522DKT)	

iii. **Customer Connections**

1. Commercial Operations Response During COVID-19 Update

Ms. Sarah Salati provided an update on Commercial Operations' COVID-19 response (Exhibit "4a iii-A"). She said that the update covers what the Authority have been doing with respect to responding to its customers in this global pandemic.

Economic Development Customer Assistance Program

As President Quiniones reiterated, at the prior Board meeting, the members approved, and the Authority launched the Economic Development Customer Assistance Program, which enabled the Authority's customers that are recipients of its low-cost hydro power as part of its Economic Development Program, to defer their electricity bills for six months at no interest and no penalties, and to pay back the Authority over the subsequent 18 months.

Of the 100% that would be eligible, currently, 42 percent has subscribed to the program. However, as a caveat, several of the customers were deemed essential services, therefore, the Authority is continuing full operation with those customers. As highlighted at the last meeting, other customers applied for the Paycheck Protection Program that provides monies for payroll, utilities, rents, mortgages, and other bills.

Some of the customers are slowly coming back into service as the Authority look to un-pause. At the height of the pandemic, 44 percent subscribed to the program; that percentage is now reducing as customers go back into service.

The Economic Development Customer Assistance Program was very well received by the Authority's customers. Commercial Operations received exceptional positive feedback from the customers on this program.

Monitoring of Customer Accounts Receivables

The Authority is sensitive to its customers' financial situation, and therefore, have also been monitoring its receivables. Despite the effects of the pandemic, Commercial Operations is not seeing an inordinate amount of bad debt and delays in payments relative to what they have typically seen, historically.

The outstanding 60-days plus receivables are not significantly higher, they are actually lower, relative to what the Authority have previously seen at the same time in the last year. There is only one major SUNY customer which has requested that the Authority defer their bill to be paid by 30 days and is the only customer that has actively reached out to request a deferral by one month.

Increasing Remote Work Efficiencies

Commercial Operations is learning a lot as a result of this Covid-19 pandemic and has identified ways to work differently and smarter.

- Reducing staff time, cost, and a willingness to be more productive with more virtual customer visits. This is not unduly delaying staff's ability to move forward with identifying projects and growing the Authority's pipeline.
- Accelerating the Authority's digital delivery processes. This includes electronic delivery and development of all of the Authority's customer contracts for all of the projects that it undertakes by looking at digitization of all vendor requisitions.

- Accelerating the Authority's approach to single-project agreements. NYPA is looking to establish one individual agreement that will streamline its interface with its customers, and enable all of the projects and services that NYPA offers to be within that one agreement in order to reduce the inefficiencies and incremental paperwork that would have otherwise be put through the system.
- Piloting a software that enables design review digitally. Commercial Operations have been taking advantage of their experience and doing digital design reviews of all the projects as staff work remotely on energy efficiency and other projects.

Wholesale Market Operations

- Power prices have dropped 50 percent compared to Q4 of last year, and gas prices, 70 percent compared to Q4 last year. The Authority have entered into hedging of over 60 percent and 70 percent, respectively, in energy and capacity for 2020 to support its financial plan.
- Hedging activities YTD has limited NYPA to ~\$23M exposure for the remainder of 2020.
- With respect to load, NYPA continues to see its customer load consistently going down, essentially an eight percent decline in load across New York State, with a 20 percent decline in load specifically in the New York City area.

The NYISO is now projecting that the load, which has been down 8 to 10 percent, on to average to be only declining by five percent, which is reflective of the hope that the various regions will be un-paused and manufacturing and some other large businesses will be back online.

Secondly, due to the drop in oil prices and in gas, the Authority have been able to purchase oil for backup generation at its fossil fuel plants and reduce its inventory cost for those by 8 to 15 percent.

In terms of the inventory carrying costs, NYPA is now about 90% capacity, and will have sufficient capacity going into next winter.

2. e-Mobility Program: Authorization to Expand Vendor Pool and Contract Capacity for Electric Vehicle Charging Program

The President and Chief Executive Officer submitted the following report:

SUMMARY

In connection with the Authority's e-Mobility Program and expanding interest in electric transit bus charging systems from the Authority's customer base, the Trustees will be requested at their May 19, 2020 meeting to approve (a) an expansion of the vendor pool for the e-Mobility Program to include fourteen (14) additional contract awards to the following firms: ABM Electrical Power Services, ChargePoint, ClipperCreek, Electrify America, EVSE LLC, FreeWire Technologies, Heliox Technology, LilyPad EV, Maverick Construction Corporation, PlugIn Stations Online LLC, SemaConnect, Siemens Industry, Solar Liberty Energy Systems, and Teamex Corporation and (b) for the twenty (20) firms in the vendor pool, an increase in overall contract capacity from \$60 million to \$150 million, in aggregate.

The Finance Committee is requested to recommend that the Trustees approve the aforementioned requests.

BACKGROUND

Section 2879 of the Public Authorities Law and the Authority's Guidelines for Procurement Contracts require the Trustees' approval for procurement contracts involving services to be rendered for a period in excess of one year. Additionally, in accordance with the Authority's Expenditure Authorization Procedures, the award of construction services contracts exceeding \$6 million requires the Trustees' approval.

In 2018, the Trustees authorized the award of six (6) value contracts with a total cumulative value of up to \$60 million to support the Authority's EVolve NY and e-Mobility programs (RFP Q18-6430MH). Awards were issued to the following contractors: Apex Solar Power of Queensbury, New York, EV Connect, Inc. of El Segundo, CA, Efacec USA, Inc. of Norcross, GA, EVgo Services LLC of Los Angeles, CA, Verdek LLC of Madison, CT, Zeco Systems, Inc. (dba Greenlots) of Los Angeles, CA. At that time, it was contemplated that advances in technologies and other market conditions would require the Authority to re-evaluate its vendor resources and select those firms possessing state of the art qualifications and resources.

Staff developed new spending projections for electric vehicle charging station projects based on increased interest in fleet electrification after Governor Cuomo's Climate Leadership and Community Protection Act ('CLCPA') was signed in 2019. CLCPA is the most comprehensive climate legislation in the nation, aiming to make New York a carbon neutral economy by 2050. CLCPA contains nation-leading clean energy targets including increasing the Clean Energy Standard from 50% to 70%, the reduction of greenhouse gas emission by 85% by 2050 from 1990 levels, and the development of 9,000 MW of Offshore wind capacity by 2035. CLCPA, along with Governor Cuomo's REV 2030 goals, establish a framework that positions the electric sector to play a key role in how these changes take place and, as the electric system becomes increasingly clean and renewable, support the electrification of fossil fuel intensive sectors such as transportation. Electrifying transportation, which currently contributes 40% of total GHG and is the most polluting sector, is a fundamental strategy to meet CLCPA's 85x50 goals. This has led to increased interest in electric vehicle technology for both large fleets and vehicles owned by the general public.

DISCUSSION

As a result of increased interest in transit bus electrification, the Authority released an updated solicitation (Q19-Q18-6430MH) on April 5, 2019. The evaluation team received twenty-six (26) proposals on or prior to May 24, 2019. The team is requesting that the Trustees authorize the award of contracts to

fourteen (14) additional firms. The team is also requesting that the value contracts for three firms selected in the original RFP be increased based on updated pricing, equipment choices or services that they submitted under the recent solicitation.

The additional contract awards recommended by the evaluation team are listed below with the associated categories. These value contracts will be coterminant with the original six on November 14, 2023.

1. ABM Electrical Power Services, LLC of Sugarland, TX – full turnkey, overhead bus charging
2. ChargePoint, Inc. of Campbell, CA – equipment only, overhead bus charging
3. ClipperCreek, Inc. of Auburn, CA – equipment only
4. Volkswagen Group of America Inc. d/b/s/ Electrify America, LLC of Herndon, VA – full turnkey, alternative business models
5. EVSE LLC of Enfield, CT – equipment only
6. FreeWire Technologies, Inc. of San Leandro, CA – equipment only
7. Heliox Technology Inc. of Dover, DE – overhead bus charging
8. LilyPad EV LLC of Overland Park, KS – equipment only
9. Maverick Construction Corporation of Boston, MA – full turnkey
10. PlugIn Stations Online LLC of Albany, NY – full turnkey, overhead bus charging
11. SemaConnect of Bowie, MD – full turnkey
12. Siemens Industry Inc of Wendell, NC – overhead bus charging, equipment
13. Solar Liberty Energy Systems, Inc. of Buffalo, NY – installation only
14. Marubeni America Corporation of New York, NY represented by Teamex Corp. of Vienna, VA – equipment only

In addition, three of the six (6) firms that were awarded value contracts from the 2018 pool of developers through RFP Q18-6430MH demonstrated that they have acquired new experiences and qualifications in the market and have improved on their original prices and/or provided prices for new equipment and services. It is recommended to amend those value contracts to reflect the experiences and qualifications since acquired. The firms are:

1. Efacec USA, Inc. of Norcross, GA – equipment only
2. EV Connect, Inc. of El Segundo, CA – full turnkey, overhead bus charging, alternative business models
3. Verdek LLC of Madison, CT – full turnkey, overhead bus charging

FISCAL INFORMATION

The additional funding will be provided from the Authority's Operating Fund, Capital Fund and/or proceeds of the Authority's Commercial Paper Notes or other financing instruments, as deemed applicable. In addition, projects may be funded, in part, with monies from Petroleum Overcharge Restitution ('POCR') funds. Funding will be allocated as projects are assigned based on each firm's performance and workload, subject to the Authority's Expenditure Authorization Procedures. All Authority costs, including Authority overheads and the costs of advancing funds, but excluding the POCR and certain types of grants, will be recovered. The expenditures associated with the EVolve NY Program in these contracts were included in the Authority's 2020 Budget and 2020-2023 Four-Year Budget and Financial Plan.

RECOMMENDATION

The Executive Vice President and Chief Commercial Officer, and the Vice President of e-Mobility and Grid Flexibility request that the Finance Committee recommend that the Trustees approve (a) an expansion of the vendor pool for the e-Mobility Program to include fourteen (14) additional contract awards to the following firms: ABM Electrical Power Services, ChargePoint, ClipperCreek, Electrify America, EVSE LLC, FreeWire Technologies, Heliox Technology, LilyPad EV, Maverick Construction

Corporation, PlugIn Stations Online LLC, SemaConnect, Siemens Industry, Solar Liberty Energy Systems, and Teamex Corporation and (b) for the twenty firms in the vendor pool, an increase in overall contract capacity from \$60 million to \$150 million in aggregate.

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

Mr. John Markowitz, Director of eMobility Technology & Engineering, provided highlights of staff's recommendation to the members.

On motion made by member John Koelmel and seconded by member Michael Balboni, the following resolution, as recommended by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Finance Committee recommends that the Trustees, in accordance with the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, approve (a) an expansion of the vendor pool for the EVolve NY and e-Mobility Programs to include fourteen (14) additional contract awards to the following firms: ABM Electrical Power Services, ChargePoint, ClipperCreek, Electrify America, EVSE LLC, FreeWire Technologies, Heliox Technology, LilyPad EV, Maverick Construction Corporation, PlugIn Stations Online LLC, SemaConnect, Siemens Industry, Solar Liberty Energy Systems, and Teamex Corporation and (b) for the twenty firms in the vendor pool for the e-Mobility Program, an increase in overall contract capacity from \$60 million to \$150 million, in aggregate, to perform services which include providing charging station hardware, software and installation services, including, but not limited to, design, engineering, procurement, construction management, installation, and extended warranty services;

<u>Contractors</u>	<u>Aggregate Contract Capacity</u>
The original six vendors under retainer:	
<ul style="list-style-type: none">• Apex Solar Power of Queensbury, NY• EV Connect, Inc. of El Segundo, CA• Efacec USA, Inc. of Norcross, GA• EVgo Services LLC of Los Angeles, CA• Verdek LLC of Madison, CT• Zeco Systems, Inc. (dba Greenlots) of Los Angeles, CA	Up to \$150,000,000
The additional 14 vendors to	

be awarded:

- **ABM Electrical Power Services, LLC of Sugarland, TX**
- **ChargePoint, Inc. of Campbell, CA**
- **ClipperCreek, Inc. of Auburn, CA**
- **Volkswagen Group of America Inc. d/b/s/ Electrify America, LLC of Herndon, VA**
- **EVSE LLC of Enfield, CT**
- **FreeWire Technologies, Inc. of San Leandro, CA**
- **Heliox Technology Inc. of Dover, DE**
- **LilyPad EV LLC of Overland Park, KS**
- **Maverick Construction Corporation of Boston, MA**
- **PlugIn Stations Online LLC of Albany, NY**
- **SemaConnect of Bowie, MD**
- **Siemens Industry Inc of Wendell, NC**
- **Solar Liberty Energy Systems, Inc. of Buffalo, NY**
- **Marubeni America Corporation of New York, NY represented by Teamex Corp. of Vienna, VA**

(Q19-Q18-6430MH)

AND BE IT FURTHER RESOLVED, That the Finance Committee recommends that the Trustees affirm that the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer, the Chief Commercial Officer, the Vice President – e-Mobility and Grid Flexibility, and

May 14, 2020

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.

iv. **Corporate Support Services**

1. **Legal Services Contract Awards**

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Trustees will be requested at their May 19, 2020 meeting to approve the award and funding of the 28 multi-year legal services contracts to the law firms set forth in Exhibit '4a iv-1-A' attached hereto. These awards will be for a term of up to five years with an aggregate value of \$17.75 million dollars. The recommendations are the culmination of a Request for Proposals ('RFP') and evaluation process which identified law firms capable of providing quality legal services to the Authority on an 'as needed' basis. Having multiple firms under contract allows the Authority flexibility in selecting counsel depending on the Authority's needs in various subject matter areas, including general, energy and bond, underwriter, and disclosure counsel. The last Law Department RFP for legal services was in 2015.

The Finance Committee is requested to recommend to the Trustees the approval of the twenty-eight (28) contract awards set forth in Exhibit '4a iv-1-A' in the aggregate value of \$17.75 million dollars for on-call legal services to the Authority.

BACKGROUND

Section 2879 of the Public Authorities Law and the Authority's Guidelines for Procurement Contracts require the Trustees' approval for procurement contracts involving services to be rendered for a period in excess of one year. In accordance with the Authority's Expenditure Authorization Procedures, procurement contracts in excess of \$6 million require the Trustees' approval.

DISCUSSION

On December 17, 2019 Request for Proposals Q19-6856SS was advertised in the New York State Contract Reporter for General, Energy and Bond, Underwriter & Disclosure Counsel ('Bond') services and posted on the NYPA.gov website and Ariba. Eighty-two (82) firms viewed the event notice on the Authority's Strategic Supply Management ('SSM') website and 34 firms submitted proposals by the due date of February 5, 2020.

The issuance of up to five-year contracts (three-year term with an option for two additional years) is necessitated by both cost and efficiency considerations. In many cases, multi-year retainers result in favorable pricing. Also, assigned legal matters may extend longer than a year and require consistency in service. It is more efficient to award long-term contracts than to rebid annually. Contracts will be awarded to the selected firms without a dollar value and the Authority will not be obligated to assign work to any firm. All of the recommended contracts will allow the Authority, in its sole discretion, to terminate services without liability other than paying for acceptable services rendered to the effective date of termination.

Three evaluation teams, General, Energy and Bond, comprised of representatives from Law, Corporate Finance and Commercial Operations reviewed the proposals and conducted interviews when deemed appropriate. The teams used the same evaluation criteria which included completeness and quality of the response to the RFP, subject matter expertise, experience in representing public entities, prior experience with the Authority, hourly rates (or alternative billing arrangements), approach to handling matters, including staffing, Minority/Women-owned Business Enterprise ('MWBE') requirements, extent and nature of any exceptions to the Authority's proposed contract. Due to the coronavirus pandemic, any interviews were virtual and were evaluated on factors including a firm's knowledge of the Authority, level of firm representation, and quality of presentation in style and substance.

The requested proposals for services in the General Law category include, but are not limited to, labor, employment and employee benefits, federal and state contracts, real estate management, immigration, licensing, tort, intellectual property, information technology, environmental matters; representation before federal and state administrative and judicial bodies; and other services, as required.

Energy Law services include, but are not limited to, power purchases and sales, hedging, energy trading and markets; renewable energy and transportation matters including development of standard documents for solar, wind, demand side management, electric transportation, distributed energy management, grant funding and co-development agreements; representation before federal and state administrative and judicial bodies; and other services, as required.

Bond, Underwriter & Disclosure services include, but are not limited to, acting as bond counsel for the Authority, tax related services for all aspects of municipal finance, i.e., preliminary official statements, rendering objective opinions regarding authorization and bond issuance, resolutions, notices in connection with financings and federal and state tax and securities law matters. Underwriter and disclosure counsel services may be required.

Firms will be awarded contracts without specificity or limitation as to any subject matter area and any of their services will be available to the Law Department. This is prudent, as in addition to the Authority's core subject matter areas, emerging legal issues arise, and the selected firms have the ability to respond.

Three firms, Devaprasad PLLC, Hardwick Law Firm LLC and Bryant Rabbino LLP are New York State-certified MBE firms and one firm, Mintzer Mauch PLLC is a New York State Certified WBE firm. The Authority's Supplier Diversity Practice will work with the other firms to identify and partner with certified M/WBE firms as part of their work for the Authority.

FISCAL INFORMATION

Funds required to support contract services are available through the Law Department Outside Counsel budget, which has been included in the 2020 approved O&M Budget and the Four-Year Budget and Financial Plan for 2020-2023, or, in the case of debt issuances, from the proceeds of the sale of the Authority's debt instruments. Funds for subsequent years, where applicable, will be included in the budget submittals for those years, as well as from capital funding (where appropriate) as tasks are assigned. Payment will be made from the Operating Fund.

RECOMMENDATION

It is requested that the Finance Committee recommend that the Trustees approve the award of procurement contracts for legal services for terms of up to five years, in an aggregate amount of \$17.75 million, to the law firms set forth in Exhibit '4a iv-1-A' attached hereto above, for the purposes set forth above.

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

Mr. Justin Driscoll, Executive Vice President and General Counsel, provided highlights of staff's recommendation to the committee.

On motion made by member John Koelmel and seconded by member Michael Balboni, the following resolution, as recommended by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Finance Committee recommends that the Trustees approve the award of procurement contracts for legal services for terms of up to five years, in an aggregate amount of \$17.75 million, to the law firms set forth in Exhibit “4a iv-1-A” attached hereto above.

2. IT Contingent Staffing – Multiple Contract Awards

The President and Chief Executive Officer submitted the following report:

SUMMARY

The Trustees will be requested at their May 19, 2020 meeting to approve the award of personal service contracts to the twelve (12) bidders listed in Table 2 below for an aggregate amount of \$28 million and a term of three years, with the option for an additional two years.

The request represents the projected expenditures for Information Technology ('IT') contingent staffing over the period from 2020-2025.

Payments associated with the IT contingent staffing contracts will be made from the Authority's operating and capital funds. No additional funds are being requested at this time.

The Finance Committee is requested to recommend to the Trustees the approval of the award of the personal service contract award requests for an aggregate amount of \$28 million for IT contingent staffing.

BACKGROUND

Section 2879 of the Public Authorities Law and the Authority's Guidelines for Procurement Contracts require the Trustees' approval for procurement contracts involving services to be rendered for a period in excess of one year. In accordance with the Authority's Expenditure Authorization Procedures, procurement contracts in excess of \$6 million require the Trustees' approval.

These contracts will be utilized for the purpose of providing temporary IT services contingent staffing for the Authority.

The Authority has an immediate need to utilize these new staffing contracts to close resource gaps related to attrition and to support NYPA's workforce growth demand. This increase in demand is driven by new business objectives such as Digital Operations, NYPA's Communications Backbone Program and related Digital Utility Projects.

DISCUSSION

In response to the Authority's request for proposal (Q19-6725JW), advertised in the New York State *Contract Reporter* on November 19, 2019, fifty-four (54) firms submitted proposals on the bid's due date of December 12, 2019.

The evaluation team, comprised of Human Resources, Strategic Supply Management and IT, reviewed and considered many aspects of the proposals including, but not limited to, quality of proposal, recruitment staff and their qualifications, industry experience, recruitment process, strengths, unique characteristics, prior performance, if applicable, and acceptance of the Authority's commercial terms and conditions.

The below vendors were not selected as they did not offer best value to the Authority:

Vendors Not Selected	
22nd Century Technologies, Inc.	Mindlance Inc
Akeno LLC	Mitchell Martin Inc
Amtex Systems Inc.	Momentum Resource Solutions

Ateeca Inc	Montco Inc (Rotator Staffing Services Inc)
CALSOFT Labs	Neotecra, Inc
Cambay Consulting LLC	Rangam Consultants Inc.
CEM Technology, Inc	Sapta Global Inc
Donnelly & Moore Corp.	SeamlessWorld Consulting LLC
Driven, Inc.	SoftHQ, Inc.
Genesys Consulting Services, Inc.	Software Guidance & Assistance Inc. (SGA)
Harvey Nash, Inc.	Source of Future Technology, Inc. (SOFT Inc.)
Indotronix International Corporation (LLC)	Stellar Services, Inc.
Infinity Systems Software, Inc	SVAM International, Inc.
Infojini, Inc	Synergistic Systems, Inc
InfoPeople Corporation	SYSTEM EDGE (USA) LLC
Intellyk Inc	System One
IT Trailblazers LLC	Talent Technical Services, Inc.
Kyyba, Inc.	TriVision Group Inc
L. J. Gonzer Associates	Utegration LLC
Lehigh Technical Service	V Group Inc.
Mentis Systems Inc.	World Networking Services Inc

Table 1

The topmost assessed bidders met the evaluation criteria and were determined to be the most technically qualified bidders with competitive billing rates. Based on the aforementioned considerations, the evaluation team recommends that the following twelve (12) vendors be issued contracts in order to provide IT contingent staffing services:

Vendor	Certified NYS MBE	Certified NYS WBE	Previous NYPA Experience
Ampcus Inc.			
Cogent Infotech Inc.	√		
Crossfire Consulting Inc.		√	
Eclaro International Inc.	√		√
Experis US Inc.			
InfoQuest Consulting Group Inc.			
LanceSoft Inc.			√
Spruce Inc.	√		
The Judge Group Inc.			

Trigyn Technologies Inc.			√
Unique Comp Inc.	√	√	√
Vtech Solutions Inc.			√

Table 2

As the need arises for specific contingent staffing services for IT related projects, the Authority will request resumes from all of the pre-qualified firms. Each vendor has the opportunity to submit resumes for consideration via the Authority's HireWorks system. Such competition will provide the Authority with qualified talent from a variety of sources. Pre-negotiated contracts (Outline Agreements) will be issued to all firms. The hiring supervisor will review the resumes, interview candidates, and select the most qualified individual for the required position at the contractual hourly rate. Once the candidate successfully completes a background check, a Purchase Order Release will be issued to the successful vendor specifying the hiring supervisor, successful candidate's name, job title, location, hourly rate, and term of service required.

Based on past utilization history and the IT forecast for the next five (5) years, it is recommended that the twelve (12) contracts have an aggregate value of \$28 million with a term of three years with the option for an additional two years. The terms of service shall commence on or about July 1, 2020, subject to the Trustees' approval.

FISCAL INFORMATION

Payments associated with the IT contingent staffing contracts will be made from the Authority's approved operating and capital funds.

RECOMMENDATION

It is requested that the Finance Committee recommend that the Trustees approve the award of personal service contracts to the twelve (12) bidders listed in Table 2 for an aggregate amount of \$28 million and a term of three years, with the option for an additional two years.

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

Mr. Robert Piascik, Senior Vice President and Chief Information Officer, provided highlights of staff's recommendation to the committee.

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

RESOLVED, That the Finance Committee recommends that the Trustees approve the Information Technology personal service contracts for contingent staffing in the amount and for the purpose listed below:

<u>Contract Award</u>	<u>Contract Award Value</u>
Multiple Vendors (Table 2)	<u>\$ 28,000,000</u>

Q19-6725JW

v. **Financial Management**

1. **Actions in Support of the Authority's Customer Energy
Efficiency Programs: Sale of Assets – Energy Efficiency Loans**

President Quiniones said that, based on discussions with the committee members for more business-case analysis on the energy efficiency loans, this item has been deferred to the next meeting of the Finance Committee.

2. Release of Funds for the New York State Canal Corporation

The President and Chief Executive Officer submitted the following report:

"SUMMARY"

The Trustees will be requested at their May 19, 2020 meeting to authorize the release of an additional up to \$22.8 million in funding to the New York State Canal Corporation ('Canal Corporation') to support the operations of the Canal Corporation in calendar year 2020. The amount requested is 25% of the Canal Corporation's 2020 O&M Budget. The Trustees have previously authorized the release of \$45.6 million to support the operations of the Canal Corporation for calendar year 2020.

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

BACKGROUND

The Authority has been authorized to provide financial support for the Canal Corporation. See, e.g., Public Authorities Law §1005-b(2). However, certain expenditures associated therewith do not constitute Capital Costs or Operating Expenses ('Operating Expenses') as defined in the Authority's General Resolution Authorizing Revenue Obligations dated February 24, 1998, as amended and supplemented ('Bond Resolution'). Expenditures for the Canal Corporation's operating purposes that do not constitute Capital Costs or Operating Expenses must satisfy the requirements of the Authority's Bond Resolution relating to the release of funds from the trust estate created by the Bond Resolution for lawful corporate purposes. In addition, as set forth in the Trustees' Policy Statement dated May 24, 2011, a debt service coverage ratio of 2.0 is to be used as a reference point in considering any such release of funds.

The Bond Resolution permits the Authority to withdraw monies 'free and clear of the lien and pledge created by the [Bond] Resolution' provided that (a) such withdrawals must be for a 'lawful corporate purpose as determined by the Authority,' and (b) the Authority must determine, taking into account among other considerations anticipated future receipt of revenues or other moneys constituting part of the Trust Estate, that the funds to be so withdrawn are not needed for (i) payment of reasonable and necessary operating expenses, (ii) an Operating Fund reserve in amounts determined by the Authority to be adequate for working capital, emergency repairs or replacements, major renewals or for retirement from service, decommissioning or disposal of facilities, (iii) payment of, or accumulation of a reserve for payment of, interest and principal on senior debt or (iv) payment of interest and principal on subordinate debt.

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

DISCUSSION

With this authorization, the Trustees will have authorized the release of a cumulative \$68.4 million, an amount equal to 75% of the Canal Corporation's 2020 O&M Budget. With regard to Canal Corporation's operating expenses in excess of \$68.4 million in calendar year 2020, staff is not requesting any action at this time, but will return to the Board to request additional releases, as needed.

Staff has reviewed the effect of releasing up to an additional \$22.8 million in funding at this time on the Authority's expected financial position and reserve requirements. In accordance with the Board's Policy Statement adopted May 24, 2011, staff calculated the impact of this release, together with the last 12 months releases including (i) the release of \$30 million in Recharge New York Discounts for 2020, (ii) the release of up to \$68.4 million in Canal-related operating expenses for 2020 (\$22.8 million authorized

in December 2019, \$22.8 million authorized in March 2020, and \$22.8 million of which the Trustees are being asked to authorize at this May 2020 meeting), (iii) the release of up to \$2 million in Western NY Power Proceeds net earnings, and (iv) the release of up to \$1 million in Northern NY Power proceeds net earnings, on the Authority's debt service coverage and determined it would not fall below the 2.0 reference level. Based on the Authority's Four-Year Budget and Financial Plan, the 2.0 reference point level is forecasted to be met at each year-end of the forecast period 2020-2023. Given the current financial condition of the Authority, its estimated future revenues, operating expenses, debt service and reserve requirements, staff is of the view that it will be feasible for the Authority to release such amounts from the trust estate created by the Bond Resolution consistent with the terms thereof.

FISCAL INFORMATION

Staff has determined that sufficient funds are available in the Operating Fund to release an additional up to \$22.8 million in funding to support the operation of the Canal Corporation in calendar year 2020. Staff has further determined that the amounts presently held in reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority's Bond Resolution and that such Authority funds are not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's Bond Resolution.

The expenses associated with the operations of the Canal Corporation for calendar year 2020 were included in the Canal Corporation's 2020 O&M Budget and the Authority's 2020 Budget.

RECOMMENDATION

The Chief Financial Officer requests that the Finance Committee recommend that the Trustees authorize the release of an additional up to \$22.8 million in funding to the Canal Corporation to support the operations of the Canal Corporation in calendar year 2020. The Chief Financial Officer further recommends that the Finance Committee recommend that the Trustees affirm that such release is feasible and advisable, that the amounts presently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority's Bond Resolution, and that the amount of up to \$22.8 million is not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's Bond Resolution.

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

Mr. Adam Barsky, Senior Vice President and Chief Financial Officer, provided highlights of staff's recommendation to the committee.

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

RESOLVED, That the Finance Committee recommends that the Trustees authorize the release of an additional up to \$22.8 million in funding to the Canal Corporation to support operations of the Canal Corporation in calendar year 2020, as discussed in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Finance Committee recommends that the Trustee affirm that the amounts presently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority's Bond Resolution,

that the amount of up to \$22.8 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 Committee recommends that the Trustee affirm that as a condition to making the payments specified in the foregoing report, on the day of such payments, the Treasurer shall certify that such monies are not then needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further

RESOLVED, That the Finance Committee recommends that the Trustee affirm that the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer, the Executive Vice President and General Counsel, the Executive Vice President and Chief Financial Officer, the Corporate Secretary, the Treasurer and all other officers of the Authority be, 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 Executive Vice President and General Counsel.

5. CONSENT AGENDA:

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

a. **Approval of the Joint Meeting Minutes held on March 23, 2020**

On motion made and seconded the minutes of the joint meeting held on March 23, 2020 was unanimously adopted.

b. Approval of the Joint Special Meeting Minutes held on April 23, 2020

On motion made and seconded the minutes of the joint meeting held on April 23, 2020 was unanimously adopted.

6. Next Meeting

Chairperson McKibben said that the next regular meeting of the Finance Committee will be held on July 16, 2020 at a time to be determined.

Closing

On motion made by member Dennis Trainor and seconded by member Michael Balboni, the meeting was adjourned by Chairperson McKibben at approximately 12:12 p.m.

Karen Delince

Karen Delince
Corporate Secretary

NYPA-CANAL FINANCE COMMITTEE

EXHIBITS

For

May 14, 2020

Meeting Minutes



**NY Power
Authority**

**Canal
Corporation**

Exhibit 4a-A
May 14, 2020

President & CEO COVID-19 Progress Report

Gil Quiniones

President & Chief Executive Officer

May 14, 2020

May 2020: NYPA Status & Next Steps

- Pricing and closing \$1.2 billion in long-term bonds
- Finalizing our responsible “Return To Work” (RTW) and re-entry plans
- Preparing for a potential second wave of COVID19 + Flu in the fall-winter
- Implementing summer and storm season readiness work at NYPA
- Coordinating the shared activities of NY state utilities and power plant owners
- Supporting COVID19 response activities of select NY state agencies

2020 A and 2020 B (2020 Transaction) Bond Issue

- 2020 Transaction closed on May 12th
- 2020 Transaction (\$1,235 million of par):

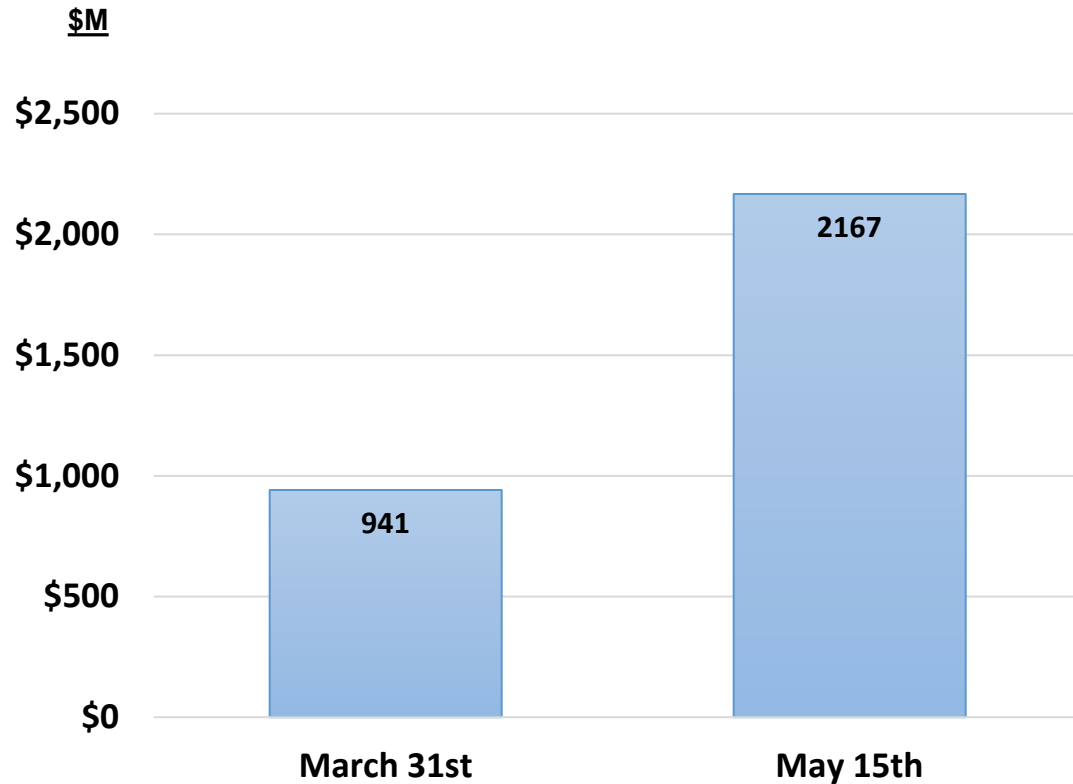
Tax-Exempt (2020 A)	\$1,121 million
Taxable (2020 B)	\$114 million

- Total Interest Cost (TIC) of 3.586%
- Weighted average maturity of 31.35 years; **lowest TIC on record for NYPA**
- Approximately \$269 million bonds refinanced; **savings of approx. \$22 million**
- NYPA's first ever certified Green Bond Issuance, about \$792 million supported by a second party opinion issued by Sustainalytics, a benchmark Green Opinion provider.

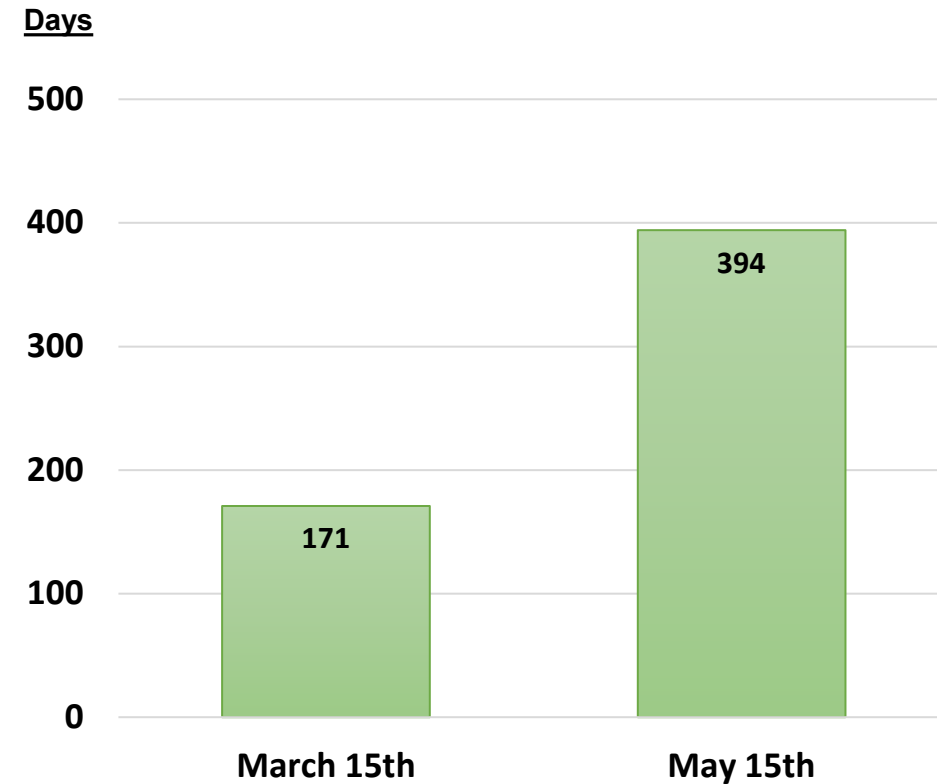
Maturity	Amount	Green Designation
30 years	\$297 million	Yes
35 years	\$301 million	Yes
40 years	\$194 million	Yes

Dramatic Increase in Liquidity

Total Liquidity (\$Millions)¹



Days Liquidity on Hand²



¹ Total liquidity is the sum of cash on hand and the remaining capacity of commercial paper facility. The total is expressed in \$ millions.

² Days liquidity on hand is the sum of cash on hand and the remaining capacity of the commercial paper facility and new bank revolver divided by the current daily cash burn. Note that the burn rate on May 15th is lower than March 15th because non-recurring O&M and capital projects were halted.

3+9 Full Year Forecast

YEAR END PROJECTION (JANUARY - DECEMBER 2020)

In \$ Thousands	2020 Budget (\$)	2020 Current (\$)	Variance (\$)
Net Operating Income			
Operating Revenue			
Customer Revenue	\$1,786,465	\$1,702,855	(\$83,610)
Market-Based Power Sales	524,543	349,373	(175,169)
Non Utility Revenue	30,128	24,418	(5,709)
Ancillary Service Revenue	45,417	37,616	(7,800)
NTAC and Other	193,707	193,100	(607)
Operating Revenue Total	2,580,259	2,307,363	(272,895)
Operating Expense			
Purchase Power	(612,391)	(465,064)	147,327
Ancillary Service Expense	(58,270)	(58,082)	187
Fuel Consumed	(158,717)	(84,241)	74,476
Wheeling	(644,109)	(659,893)	(15,784)
Operations & Maintenance	(612,582)	(621,995)	(9,413)
Other Expense	(119,785)	(118,313)	1,472
Covid-19 Expense*	0	(5,495)	(5,495)
Allocation to Capital	22,156	11,078	(11,078)
Operating Expense Total	(2,183,698)	(2,002,005)	181,693
EBIDA Total	396,561	305,358	(91,203)
EBIDA NYPA	487,588	396,501	(91,087)
EBIDA Canals	(91,027)	(91,143)	(116)

Margins - Generation** (\$59,082)

Margins - Transmission (1,860)

Margins - Non Utility (5,748)

** Includes Merchant Gross Margin Variance of (\$42,827): Budget @ \$335,449 vs Current @ \$292,622

Operating Expenses (24,513)

(91,203)

Non Operating

Interest and Other Expenses			
Interest & Other Expenses	(120,919)	(122,778)	(1,859)
Investment and Other Income	28,726	33,518	4,792
Mark to Market Adjustments	(359)	(3,851)	(3,491)
Depreciation	(262,536)	(261,174)	1,362
Interest and Other Expenses Total	(355,088)	(354,283)	805

Non-Operating Net 805

NET INCOME	\$41,473	(\$48,925)	(\$90,398)
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(\$90,398)

EBIDA: Earnings Before Interest Depreciation & Amortization

*Covid-19: Expected incremental expenses into the forecast.



**NY Power
Authority**

**Canal
Corporation**



**NY Power
Authority**

**Canal
Corporation**



**NY Power
Authority**

**Canal
Corporation**

Exhibit 4a i-1-A
May 14, 2020

Risk Management Update

Soubhagya Parija

SVP & Chief Risk Officer

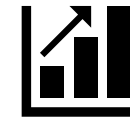
May 14, 2020

Confronting the Impacts of COVID-19



New challenges arising from the scale and speed of COVID-19 has impacted society, the economy and many organizations

Current work efforts are focused on garnering insights to allow for risk-informed decisions that enable the Authority to successfully continue to fulfill its mission



Enterprise Risk Management

- Repurposing Risk Assessment process
- Covid-19 Risk Register
- Prioritized asset plan with Canals
- Continued EGRC rollout

Operational Risk and Commodities

- Assess impact of customer credit rating downgrades
- Energy Portfolio review and analysis
- ECRM Phase II Upgrade

Business Risk Analytics

- Review and analysis of:
 - Aluminum hedge
 - Expanded authority
 - Post employee benefit program funds
- Model governance

Insurance Risk Management

- D&O and Canals Property renewals
- LPPC Insurance Group
- Captive Insurance Company
- Policy and Claims System



**NY Power
Authority**

**Canal
Corporation**



**NY Power
Authority**

**Canal
Corporation**

Exhibit 4a iii-1-A
May 14, 2020

Commercial Operations

Sarah Orban Salati

EVP & Chief Commercial Officer

May 14, 2020

Commercial Operations Response During COVID-19

EDCAP Participation – 42% Subscribed

- “Essential services” customers continued full operations
- Others applied for Paycheck Protection Program
- Some customers coming back into service

Increasing Remote Work Efficiencies

- Reducing staff time by 50-75% with virtual customer visits
- Accelerating digital delivery processes
- Direct install design and construction model being implemented

Monitoring of Customer Account Receivables

- Current outstanding receivables lower March-April YoY
 - Outstanding 60 days+ (2020) \$ 204,560
 - Outstanding 60 days+ (2019) \$ 364,718
- As of March billing cycle, one SENY customer has shifted bill payment by 30 days

Wholesale Market Operations

- Continued hedging for 2020-2023 to support NYPA financial plan
- Hedging activities YTD has limited NYPA to ~\$23M exposure for remainder of 2020



**NY Power
Authority**

**Canal
Corporation**



**NY Power
Authority**

**Canal
Corporation**

Exhibit 4a iv-1-A
May 14, 2020

I. General Services Counsel Q19-6856SS

Abrams & Abrams
363 7th Avenue
New York, NY 10001

Baker Botts
910 Louisiana Street
Houston, TX 77002

Barclay Damon LLP
Barclay Damon Tower
125 East Jefferson Street
Syracuse, NY 13202

Bleakley Platt & Schmidt LLP
One North Lexington Avenue
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