



**NY Power
Authority**

**Canal
Corporation**

**MINUTES OF THE JOINT REGULAR MEETING
OF THE
POWER AUTHORITY OF THE STATE OF NEW YORK AND
NEW YORK STATE CANAL CORPORATION**

July 28, 2020

Table of Contents

<u>Subject</u>	<u>Page No.</u>	<u>Exhibit</u>
Introduction	2	
1. Adoption of the July 28, 2020 Proposed Meeting Agenda	3	
2. Motion to Conduct an Executive Session	4	
3. Motion to Resume Meeting in Open Session	5	
4. DISCUSSION AGENDA:	6	
a. Strategic Initiatives	6	
i. President and Chief Executive Officer's Report	6	
1. COVID-19 Update	6	4a i-1-A
2. NYPA's Commitment to Racial Justice and Equity – Special Guest - Paula Glover, President American Association of Blacks in Energy	7	4a i-2-A
3. AREGCBA Legislation and Priority Transmission Projects	12	4a i-3-A
b. Chief Operations Officer's Report	15	4b-A
c. Chief Commercial Officer's Report	16	4c-A
d. Chief Financial Officer's Report	19	4d-A
e. Finance Committee Report	21	
i. Financial Operations	22	
1. Actions in Support of the Authority's Customer Energy Efficiency Programs: Assignment and Release of Assets – Energy Efficiency Loans Resolution	22	

<u>Subject</u>	<u>Page No.</u>	<u>Exhibit</u>
ii. Utility Operations	25	
1. St. Lawrence-FDR Power Project – Replacement of Plattsburgh Autotransformer No.1 – Capital Expenditure Authorization Request and Contract Award Resolution	25	
2. St. Lawrence-FDR Power Project – Replacement of Robert Moses Autotransformer No. 2 – Capital Expenditure Authorization Request Resolution	29	
3. Niagara Power Project – Next Generation Niagara Program Mechanical and Electrical Upgrades – Wicket Gate Procurement – Contract Award Resolution -- Deferred	32	
iii. Commercial Operations	33	
1. NYISO Public Policy AC Transmission Proceeding – Request to Acquire an Ownership Stake Resolution	33	
2. Port Authority of New York and New Jersey Power Purchase Agreements – John F. Kennedy International Airport Resolution	36	
iv. Digital Transformation Office	38	
1. Energy & Environmental Policy Development, Analysis and Strategic Planning – Authorization to Award Master Services Agreement Contracts for the Executive Office Resolution	38	
f. Audit Committee Report	42	
i. Approval of the New York Power Authority and Canal Corporation Audit Committee Charters Resolution	43	4f i-A 4f i-B
ii. Approval of New York Power Authority Internal Audit Charter Resolution	44	4f ii-A
g. Cyber and Physical Security Committee Report	45	

<u>Subject</u>	<u>Page No.</u>	<u>Exhibit</u>
5. CONSENT AGENDA:	46	
a. Commercial Operations	47	
i. Expansion Power Allocation	47	5a i-A
ii. Recharge New York Power – New, Extended, and Modified Allocations	50	5a ii-A - 5a ii-G
iii. Preservation Power Allocation Extension and Notice of Public Hearing	58	5a iii-A
iv. Extension of the Industrial Incentive Award to Pratt Paper (NY), Inc. and Economic Development Plan	61	
v. Recommendations for Awards of Fund Benefits from the Western New York Economic Development Fund by the Western New York Power Proceeds Allocation Board	64	5a v-A 5a v-A-1
vi. Award of Fund Benefits from the Northern New York Economic Development Fund Recommended by the Northern New York Power Proceeds Allocation Board	68	5a vi-A 5a vi-A-1 5a vi-B
b. Procurement (Services) Contracts	72	
i. Procurement (Services) and Other Contracts – Business Units and Facilities – Awards, Extensions, and/or Additional Funding	72	5b i-A 5b i-B
c. Utility Operations	80	
i. Long-term Operations Agreement for the Discover Niagara Shuttle Service	80	
d. Canal Corporation	82	
i. Procurement (Services) Contract – Construction of the Canalway Trail Mohawk to Ilion – Contract Award	82	
e. Governance Matters	84	
ii. Minutes of the Regular Joint Meeting of the New York Power Authority's Trustees and Canal Corporation's Board of Directors held on May 19, 2020	84	
Resolution		

July 28, 2020

<u>Subject</u>	<u>Page No.</u>	<u>Exhibit</u>
5. Next Meeting	85	
Closing	86	



**NY Power
Authority**

**Canal
Corporation**

Minutes of the Regular Joint Meeting of the New York Power Authority's Trustees and Canal Corporation's Board of Directors held via video conference at approximately 9:45 a.m.

Members of the Board present were:

John R. Koelmel, Chairman
Eugene L. Nicandri, Vice Chairman
Tracy McKibben
Michael A.L. Balboni
Dennis T. Trainor

Anthony J. Picente, Jr. – Excused

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 Operating Officer
Kristine Pizzo	Executive Vice President and Chief Human Resource & Administrative Officer
Sarah Salati	Executive Vice President and Chief Commercial Officer
Lee Garza	Senior Vice President – Financial Operations
Soubhagya Parija	Senior Vice President & Chief Risk Officer
Robert Piascik	Senior Vice President & Chief Information Officer
Angela Gonzalez	Senior Vice President – Internal Audit
Kimberly Harriman	Senior Vice President – Public & Regulatory Affairs
Keith Hayes	Senior Vice President – Clean Energy Solutions
Yves Noel	Senior Vice President – Strategy & Corporate Development
Scott Tetenman	Senior Vice President – Finance
Karen Delince	Vice President and Corporate Secretary
Girish Behal	Vice President – Project & Business Development
John Canale	Vice President – Strategic Supply Management
Kenneth Carnes	Vice President – Critical Secure Services & CISO
Joseph Leary	Vice President – Community & Government Relations
Patricia Lombardi	Vice President – Project Management
Daniella Piper	Vice President – Digital Transformation Office and Chief of Staff
Anne Reasoner	Vice President – Budgets and Business Controls
Ethan Riegelhaupt	Vice President – Corporate Communications
Saul Rojas	Vice President – Enterprise Resilience
Evan Yager	Vice President – Enterprise Portfolio Management Office
Thakur Sundeep	Controller
Christina Reynolds	Treasurer
Victor Constanza	Senior Director – Configuration Control and Deputy CISO
Evan Kolkos	Senior Manager – Customer Business Development
Adrienne Lotto	Senior Director – Energy Security & Resilience Programs
Lawrence Mallory	Senior Director – Physical Security & Crisis Management
Peter Prunty	Senior Director – Security Compliance
Thomas Spencer	Senior Director – Enterprise Risk & Corporate Insurance
Susan Craig	Director – Media Relations
Maribel Cruz	Director – Projects
Mary Cahill	Manager – Executive Office
Paul DeMichele	Media Relations Project Manager
Lorna Johnson	Senior Associate Corporate Secretary
Christopher Vitale	Senior Finance Project Manager
Sheila Quatrocci	Associate Corporate Secretary
Michele Stockwell	Project Coordinator – Executive Office
Paula Glover	President – American Association of Blacks in Energy

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 July 28, 2020 Proposed Meeting Agenda**

On motion made by Trustee Balboni and seconded by Trustee McKibben, the members adopted the meeting Agenda.

Conflicts of Interest

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

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

“Mr. Chairman, I move that the NYPA and Canal Boards conduct an Executive Session to discuss the financial and credit history of a particular corporation and matters regarding public safety and security.” On motion made by Trustee Balboni and seconded by Vice Chair Nicandri, the members held an executive session.

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

“Mr. Chairman, I move to resume the meeting in Open Session.” On motion made by member Dennis Trainor and seconded by member Tracy McKibben, the meeting resumed in Open Session.

Chairman Koelmel said that no votes were taken during the Executive Session.

4. DISCUSSION AGENDA:

a. Strategic Initiatives

i. President and Chief Executive Officer's Report

President Quiniones provided an update on NYPA's response to COVID-19 (Exhibit 4a i-1-A); NYPA's response to the racial justice and equity issue and the commitments and investments NYPA plans to make in this very important area; and transmission. He said that NYPA is the owner and operator of one-third of the transmission system in the state. Recently, legislation expanded NYPA's authority to play a bigger role in integrating large-scale renewables into the power system to achieve the Authority's goals set forth in the Climate Leadership and Community Protection Act.

1. Covid-19 Response Update

Task Force

In March, NYPA set up an Emergency Operations Center using the Incident Command Structure ("ICS") model. NYPA has pivoted to a Task Force format because, as staff begin returning to work, much of the day-to-day activities have been assigned to the Business Units.

Monitoring the Workplace and Preparedness for 2nd Wave

As staff returned to work, NYPA continued to monitor the health of its employees using "best practices." The Authority integrated its crisis management functions working with the NYS Office of Emergency Management and the Department of Health. The Authority offered testing to its employees at all its facilities, both for antibody and diagnostic testing.

NYPA developed a Second Wave Readiness Plan in order to be ready in the event there are hotspots or clusters that may come up in the future.

NYPA is in the process of retrofitting its HVAC system, installing high-efficiency filters that are used in hospitals, as well ultraviolet lighting that will disinfect the air in the workplace, all to mitigate the risk of spread and transmission.

Capital Summary

The Authority is moving towards un-pausing its Capital and major O&M projects. To this end, many of its projects have been restarted.

In summary, even though projects were paused for more than three months, the Authority should be able to implement at least two-thirds of its capital program this year; the balance will be carried forward to next year. This will be reflected in the Authority's budget for next year and future years.

2. NYPA's Commitment to Racial Justice and Equity

President Quiniones introduced Ms. Paula Glover, President and CEO of the American Association of Blacks in Energy ("AABE"). AABE is a national energy trade association with more than 2,000 members and 40 chapters nationwide. The association's focus is to represent the voice for African Americans and other minorities on energy policy, regulations, and environmental issues. Ms. Glover and her organization will be partnering with the Authority in its response to the racial justice and equity issue.

President Quiniones said that Ms. Glover is an industry leader for issues around diversity and inclusion. Under Ms. Glover's leadership, the AABE partnered with the U.S. Department of Energy on its *Minorities and Energy Initiative*. She has also testified before Congress about the impact of policies on underserved communities. Ms. Glover has more than 25 years of experience in the energy industry where she has worked in government affairs, regulatory affairs, and economic development.

In March 2014, Ms. Glover was appointed to the *National Petroleum Council* by the U.S. Secretary of Energy, Dr. Ernest Moniz. In June of 2017, she was voted onto the Board of Directors for the *Alliance to Save Energy*. Ms. Glover is also a member of the Advisory Board for the *Maryland Energy and Sustainability Center* at the University of Maryland, Eastern Shore. She received a B.S. in Marketing Management from the University of Delaware, is a 2003 graduate of Leadership New Haven and has contributed articles on work life balance in *Take Pride Magazine*.

President Quiniones continued that, after the killing of George Floyd, he spoke with the Board members and also had an "All-Hands" meeting with the employees of NYPA and Canals to be mindful, and to eventually develop a concrete response to this very important issue, not just at NYPA, but throughout our society.

The reason the Authority is focusing on addressing the issues of the Black communities is not only because of what happened to George Floyd, but, looking at all the relevant metrics about the Black communities, whether on wealth creation over a long period of time or upward mobility. The data is stark and sobering; to date, no progress has been made in reducing income and wealth inequalities between Black and White households.

The challenges faced by the Black population is compounded by the impact of COVID-19 and systemic racism. As we go through the COVID crisis, looking at the Zip Codes in New York State where the majority of the cases and deaths have occurred, this happens in communities of color because they are largely the first responders or essential workers, they are in situations where it is hard to social distance, and many of them also have pre-existing underlying illnesses and conditions. These factors contributed to the disproportionate impact of COVID in communities of Color. This presentation today on diversity, equity and inclusion is focused on the Black community, because of these set of facts.

This is not to imply that the Authority is not concerned about Latinos, Hispanics and other races, women, or Veterans. They are all part of the Authority's diversity, equity and inclusion program and the Authority will report on the commitments and actions that it will make in those areas as well. However, because of the gravity, data and facts about the Black community and Black employees, and because of this moment in time that provides us an opportunity to address these issues now, the Authority is seizing the moment and taking this opportunity to do so.

NYPA's Diversity, Equity and Inclusion Program

The Authority has a very robust Diversity, Equity, and Inclusion ("DEI") Program led by Ms. Nancy Harvey and staff. NYPA created Employee Resource Groups ("ERGs"), hosted senior leadership training on DEI and partnered with Human Resources Recruitment to develop training programs. However, NYPA would like to do more. To that end, President Quiniones proposed to the Board, the following commitments NYPA plans to work on between now and September, and in the future.

NYPA's Commitment to Racial Justice and Equity – Maximizing the Human Potential of Everyone in the Workplace

Below are the ten initial commitments of the New York Power Authority:

Internal Commitments:

- Reaffirm NYPA's commitment to building and maintaining a diverse, equitable and inclusive culture; and integrate that in its corporate values and the creation of NYPA's 2030 Strategic Plan, which will be submitted to the Board at the end of the year.
- Ensure that NYPA's processes, policies and procedures are transparent and free from bias. NYPA is currently in the process of reviewing all of its policies and procedures.
- Expand the ongoing training to the employees on anti-racism, unconscious bias, micro-aggression, and cultural competency.
- Create a Chief Diversity, Inclusion and Equity Officer position reporting to the President and CEO and to Kristine Pizzo, the Authority's Chief Human Resource and Administrative Officer, and increase investment in the Office of Civil Rights and Inclusion.
- Invest more in the Authority's Black employees and make sure that they have ways to develop their career and their upward mobility in the organization.
- Cast a wider net and make sure that NYPA has a diverse slate of candidates before commencing interviews for openings at the Power Authority.
- Partner with the unions to support, and make sure that the Authority is in alignment with, the union's diversity, equity, and inclusion programs.

External Commitments:

- Leverage NYPA's experience, resources and purchasing power to increase the capacity of the M/WBE firms that NYPA is already working with and cast a wider net to bring in more M/WBE firms that can do business with the Authority.
- Broaden the Authority's community-based STEM Program. The Authority has a STEM program through its Environmental Justice and Sustainability programs under the leadership of Lisa Wansley, Vice President of Environmental Justice & Sustainability. This will increase the pipeline of potential employees, not just to NYPA and its partners, but in the utility sector in general, through internship, mentorship, and a targeted scholarship program.
- Make a commitment on an external basis to create an enterprise-wide employee service program, i.e. NYPA's employees should set aside certain times in the year to volunteer to work with environmental justice communities, especially those that are near to the Authority's facilities and, through its projects and programs, for example, community solar and energy efficiency-type programs, lend their time and expertise to those communities.

NYPA's Commitment to Racial Justice and Equity – Next Steps

As the Authority responds to this important crisis and the Authority's goals and aspirations, the Authority would like to propose to the Board that it commit to doubling its investments in diversity, equity and inclusion programs, M/WBE programs, and environmental justice programs, from \$5 million to \$10 million

in order to increase the capacity of those organizations so that the Authority can do more and really be a leader in the utility industry.

President Quiniones then asked Ms. Paula Glover to talk about the American Association of Blacks and Energy and what the association is doing regarding their own initiatives to galvanize the entire industry and corporations in the industry. In addition, Ms. Glover will talk about the partnership that the Authority have forged with her association, starting today, as the Authority develops more specific, desired outcomes and deliverables after which they will then jointly work together to implement those deliverables, going forward (Exhibit 4a i-3-A).

American Association of Blacks in Energy (AABE)

Ms. Glover said that the association is a 43-year old organization with more than 2,000 members nationwide, and 38 chapters in 28 states, as well as the District of Columbia. The organization's members, some of whom are policymakers, work in every sector of the energy industry -- utilities, oil, and natural gas, as well as companies that focus on renewable, distributive generation.

The organization was founded, first to ensure that energy policies do not disproportionately impact communities of color. What is known today, is that across income domiciles, African Americans and Hispanics pay more for their energy than their Caucasian counterparts. And so, as an organization, AABE wants to make sure that, as policymakers, it is looking at the entire plethora of impacts and make smart decisions. AABE understands that not every company is in the same place, some companies are well along this path through their own DEI programs; other organizations may just be getting started.

Key Actions

After the murder of George Floyd, the association issued a statement the goal of which was for greater representation of African Americans in employment, leadership, business contracting, and workforce development in the energy industry.

There are five actions that need to take place to achieve success:

- 1) Work to create an inclusive environment where all employees feel valued.

For companies that have already started, or those planning to start diversity, equity, and inclusion programs, ensuring that the corporate culture is representative of an inclusive environment is important before doing recruiting or anything else.

- 2) The organizations should focus on efforts to increase African American employment.
- 3) Develop a pathway to leadership for African American employees.
- 4) Commit to equitable spending with African American owned businesses and invest in capacity building for industry focused African American small businesses.
- 5) Companies should direct its resources to encourage and support African American students.

AABE has a scholarship program for students who are interested in STEM and want to work in the energy business and award about quarter of a million dollars in scholarship money every year. However, there are still a lot of those same students who do not have opportunities to get in the industry. They are not tapped into internship, externship, or co-op programs. AABE is asking that companies use the same level of focus for internship and other programs that can be the starting point for careers for a lot of students, particularly engineers, that they can use when they want to have a diverse slate of candidates for any open position.

- AABE is asking companies and trade associations to join its Energy Equity Campaign, *An Industry-wide initiative to make change ... "Lead by doing more."* This campaign is designed to be an industry-wide response.
- As an organization, AABE believes that the whole energy industry can support and work together on this initiative; by doing so, they are saying that they support the organization's key actions. Supporting these key actions does not necessarily mean that every company is going to do something in all of the five buckets outlined, it does suggest, however, that all share the same ideals and believe this is the right path forward.
- AABE is also asking organizations to partner with programs that demonstrate action. For example, programs that the association have established such as the Center for Economic Opportunity which is focused on small business development; and the Leadership Professional Development Program that is focused on building pipelines such as how diversity is managed in the workplace.
- In addition to supporting AABE's programs, companies can also commit to develop a long-term plan to find the programs that fit with their goals and support those programs. This is a way for organizations to hold themselves accountable to these ideas and goals.

Partner with AABE

AABE is pleased that NYPA is the first organization to support its initiative and outlined some of the goals for NYPA.

- AABE supports companies to be successful with its ability to broaden the pool for every search. AABE has a "jobs board" of 2,000 members and will be able to help and support in job searches.
- AABE wants to be able to convene meetings of working partners, so that leaders can learn from one another. When talking about racial justice or equity issues, in general, it is important to create a space where leaders can have frank and honest discussions about their challenges, and learn from other leaders of potential solutions that have, or may not have worked.
- AABE will also supplement and facilitate partner engagement by offering subject matter experts within its association and other partners that they work with who can help work through the transition.

Transparent Leadership

AABE will be working to irradiate inequity. This will allow the association to build good will. This will also improve brand value, and help organizations achieve better business results.

There are four phase process for Transparent Leadership phrase

- 1) Discovery -- understanding where we are,
- 2) Planning -- putting a plan into place to lessen the gaps that we all see happening or occurring in our individual organizations,
- 3) Executing on those plans, and
- 4) Reporting on what I know will be a lot of success.

Ms. Glover then thanked President Quiniones and NYPA for supporting the association and for joining them on what she believes is going to be a critical and important journey.

President Quiniones thanked Ms. Glover for her presentation. He said Ms. Glover has a steady and firm leadership in this area and the Authority looks forward to partnering with her organization. The

Authority also looks forward to working with her as they put together a plan and outline the desired outcomes and how NYPA is going to measure its progress.

President Quiniones ended by saying that this is a long-term commitment for the Authority and is announcing today that the Authority plans to double its investments in its Diversity, Equity and Inclusion and M/WBE and Environmental Justice programs from \$5 million to \$10 million, details of which will be presented to the Board at its September meeting.

Chairman Koelmel said he echoes what was said by President Quiniones. NYPA is proud of what it represents, and this is the time when it needs to lead; this starts by acknowledging that we need to be better -- in this situation we need to be much better. He said that he is really excited about the collaboration with Ms. Glover and her association, although concerned that NYPA is the only one at this point but, hopefully, NYPA's stepping up will enable Ms. Glover to leverage our commitment to broaden the reach across the industry. He ended by saying that the AABE has the Board's full support and commitment, going forward. The Board looks forward to hearing more in the months ahead and between now and September when the plans are further formalized. Chairman Koelmel thanked Ms. Glover for her partnership and collaboration with the Authority and said that the Board looks forward to working with AABE and continuing the dialogue.

3. Accelerated Renewable Energy Growth and Community Benefits Act – Legislation and Priority Transmission Project

President Quiniones invited Ms. Kimberly Harriman, Senior Vice President – Public and Regulatory Affairs and Mr. Behal Girish, Vice President – Projects and Business Development & Licensing to make a presentation to the Board on transmission, an emerging Strategic Initiative at the Power Authority (Exhibit 4a i-3-A).

Ms. Kimberly Harriman provided the following report:

Accelerated Renewable Energy Growth and Community Benefits Act (AREGCBA)

The Accelerated Renewable Energy Growth and Community Benefits Act (“AREGCBA”) was passed as part of the budget and was introduced and spearheaded by Governor Andrew Cuomo. It is designed to provide the state the tools it needs to comply with the Climate Leadership and Community Protection Act (“CLCPA”). The CLCPA requires New York to, among other things, achieve 70 percent of its consumed energy from renewable resources by 2030 as well as 100 percent from emissions-free resources by 2040. Through the leadership of the Governor, the state realized that those goals cannot be achieved unless it has accelerated renewable energy citing and a way in which to move that renewable energy from the places it is generated to where it is consumed.

The Act is designed to:

First, accelerate development and construction of renewable energy projects. An Office of Renewable Energy Citing was created to accelerate renewable energy project citing. This office will be housed within the Department of State and has the provisions within the statute and, ultimately, regulations to cite renewable energy projects quickly and efficiently while being mindful of both environment and community impacts.

The second part of the Act creates a “Build Ready Program.” This program will be administrated by the New York State Energy Research and Development Authority (“NYSERDA”) and it focuses on identifying areas in the state with community engagement and support that are “ripe” for development, focusing primarily on underutilized or brownfield areas for development of either wind or solar renewable generation projects.

The third part of the Act focuses on Grid Study to promote investment in the electric system to ensure delivery from renewable energy projects to load centers. It was found that while we can build as much renewable generation as we desire in New York to achieve the 70% of consumed energy from renewable resources by 2030 and 100% from emissions-free resources by 2040 goals, unless the energy delivery system is upgraded to ensure that we get this energy from the places it is generated to where it is consumed, we are not going to achieve those goals.

Grid Study and Investment Plan:

The vision in the Act requires that a Grid Study be done, and an Investment Plan created. The Grid Study will focus primarily on:

- Local transmission and distribution upgrades and investments; and
- Bulk Electric Grid upgrades and investments

These are important assets because they often are the first touch point in either renewable generation projects, interconnection to the system, or customer-cited renewable generation projects.

The study will determine what upgrades are necessary to the local transmission and distribution system that will help facilitate achievement of the CLCPA with the assistance of all the investor-owned utilities, NYPA, the Long Island Power Authority, NYSERDA as well as the Department of Public Service, which is leading this effort. This is an important issue for NYPA; working with Energy Services and Solutions the Authority will identify customer-cited generation projects that may be bottled or incapable of interconnecting due to constraints on the distribution and local transmission systems.

In addition, the Grid Study looks at the Bulk Electric System also referred to as the interstate highway in New York. The study is designed to analyze what is going to be generated or constructed and operated both from an onshore capability, i.e. wind or solar, as well as offshore resources.

The state has a 9-gigawatt offshore wind target in the CLCPA. Recently, NYSERDA issued its second round of solicitations for those projects. It is important when building those projects that it is understood how they can be interconnected to the system in a way that ensures efficient delivery and reliability of the network.

Two tools have been identified by the Act to ensure that these transmission system upgrades are built. The first is Order 1000 Public Policy Transmission Needs. This policy was issued by the Federal Energy Regular Commission ("FERC") and provides the tools for the New York Independent System Operator ("NYISO") to identify needed upgrades to the system, conduct Request for Proposals ("RFP") to determine the best solutions for those upgrades, and ensure cost recovery of those projects.

The second part of the Act designates priority transmission projects that NYPA may undertake. NYPA is identified as being one-third of the backbone owner and operator in a public entity and, as a vehicle in which certain transmission projects that are absolutely needed and required to be done in an expedited fashion, NYPA could, based upon advice, consent and agreement by the Trustees, pursue construction of these activities.

Both the local transmission and distribution upgrades, as well as the bulk system, will be compiled into one Grid Study that will be filed with the Commission by the end of this year. In each of those instances, specific projects or needs will be identified and investment plans created. In addition, when looking at the bulk study, the Commission will determine what projects need to be done at the bulk level on an expedited basis and will ask NYPA to undertake those projects.

To the extent that the project is solely within NYPA's right-of-way, NYPA will proceed on its own. If the projects involve areas outside of NYPA's right-of-way, NYPA, under the act, is required to competitively solicit partners and will do so with the advice and consent of the Trustees.

While the Act contemplates the Study being filed by the end of the year, it also permits that there can be needs that are identified in advance of that end of the year of filing. In fact, two such needs have been identified which represent needs that have been longstanding, identified through the Order 1000 process, and recognized in multiple other system plans and studies that the New York Independent System Operator has performed.

Mr. Behal Girish then provided information regarding the two projects that NYPA has recently identified and submitted to the Commission for consideration as Designated Priority Transmission projects.

Northern New York (NNY) Transmission – Project Components

The first project identified as a priority is the Northern New York Transmission Project which has several components:

- completion of the Smart Path project -- M-A 1&2 rebuild
- Modification of the Moses to Willis 1&2 lines
- Willis to Patnode/Ryan 1&2 lines rebuild; and
- Adirondack to Porter 1&2 lines (currently owned by National Grid)

It is estimated that this project will enable approximately 3,000 megawatts of new renewable interconnections in that entire region; it takes advantage of the upgrades that are being done under the previous projects that have been approved under the Public Policy Transmission Needs processes and are currently in final stages of permitting and getting slowly into construction towards next year.

Northern New York (NNY) Transmission

This project is primarily located within the NYPA and National Grid rights-of-way. Currently, there are curtailment of some of the wind renewable projects in Northern New York; those curtailments are expected to increase as more renewables are added to the grid. This project will enable reduction of those curtailments and move the power from the northern portions of New York down to Utica and further Downstate.

Western New York Projects – Project Components

Regarding the Western New York projects, two different components are proposed:

1) Packard Huntly Gardenville Circuit Separation

It is expected that the upgrades with the Huntly Gardenville circuits will increase the overall capacity of the system to transfer renewables in Niagara Generation and any of the other imports that may happen from Ontario, further strengthening the transfer capability of that area into the larger New York grid.

2) The South Ripley PAR

The South Ripley PAR project proposes to help manage some of the flows between the New York independent System Operator control area to the PGN control area. Essentially, the Authority is pushing to keep more renewables within the New York control area.

Project Highlights

The projects are substantially within existing National Grid and Avangrid rights-of-way. This will enable approximately 600 MW of renewable investments and leverages existing system investments in Western New York Public Policy Transmission Needs ("PPTN") that was recently awarded.

President Quiniones added that the members will be provided further information regarding the Authority's investments in transmission and it will be articulated more completely when the Authority submit its NYPA 2030 Strategy by the end of the year.

b. Chief Operations Officer's Report

Mr. Joseph Kessler, Executive Vice President and Chief Operations Officer, provided highlights of Utility Operations' performance to the Board. (Exhibit "4b-A"). He said that, for the reporting period, Utility Operations exceeded all of its performance metrics. He added that the Transmission Reliability does include scheduled outages which are on target.

Performance Measures – Year-to-Date

Generation Market Readiness

- Generation Market Readiness factor was at 99.98%. This is above the target of 99.40%.

Transmission System Reliability

- Transmission System Reliability factor was 96.22%. This is above the target of 93.07%.

Environmental Incidents

- Year-to-date, there were 14 incidents. The Target is not to exceed 22 incidents.

Safety

DART (Days Away, Restricted or Transferred) is the Authority's safety metrics.

- The year-to-date DART Rate is 0. The target is 0.78.

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 (Exhibit "4c-A"). She said that the update will recap the responsiveness of NYPA, within the Commercial Operations team, during the COVID-19 pandemic.

Response to Customers

Commercial Operations monitored customer loads closely during the COVID-19 pandemic. Customer loads at the peak were about 18% below what was anticipated, particularly within New York state entities such as MTA which ridership went down. However, year-to-date, Commercial Operations have only seen about 6½ percent decline in its customer load and, from discussions with the customers, it is anticipated that the end-of-year forecast will be about 2% below what would otherwise be normalized.

Secondly, Commercial Operations developed an Economic Development Customer Assistance Program which enabled customers that were interested, to defer their bill payments for six payments, both interest and penalty free. This resulted in a very robust subscription for that program with about 44 percent of customers participating. Many of the other customers were deemed "essential services," therefore, they maintained their load or took advantage of the Paycheck Protection Program that was supported by the Federal Government. For example, the Manifold Center in Medford, LI, a metal casting company, which, during COVID, was responsive in supporting the production of equipment for ventilators.

Project Restart and Energy Markets

Increased Efficiencies Working Remotely

Commercial Operations had a lot of lessons learned experience relative to the COVID-19 pandemic. Its staff were able to continue to work relatively efficiently, even on its larger-scale energy efficiency projects by doing virtual site visits and walk-throughs in preparation for bids. This ultimately resulted in a reduction in staff's travel time. Commercial Operations will be able to capitalize on these efficiencies, going forward, while still recognizing the importance of face-to-face interaction, both with its customers and contractors.

Construction Restarts

Commercial Operations, along with the other NYPA business units, paused all its O&M and capital projects because of the COVID-19 crisis, both from a cash preservation, as well as to support the reduction and spread of the virus. Commercial Operations worked very closely with the Incident Command Structure and restarted over 120 projects across its portfolio, which includes energy efficiency, electric vehicle charging, and some of the distributed energy resources such as solar and storage at the various customer sites.

Reducing Wholesale Market Volatility Impact

As it relates to the wholesale margin, Commercial Operations did see a significant reduction in energy prices as a result of the COVID-19 pandemic, with reduction of about 25 to 40 percent, which had a significant impact on the Authority's Profit & Loss statement. Commercial Operations have been actively working on hedging activities for 2020-2023 future years to support NYPA's financial plan and improve predictability of revenues relative to softening market prices and have limited NYPA's exposure for the rest of the year to about \$15 million.

Wholesale Electricity Supply as of the End of June

Merchant Gross Margin

Wholesale electricity supplies year-to-date are below the Gross Margin targets.

Fundamentally, gas supplies remain high and this has had an impact on the gas prices as it sets the marginal unit of energy production and, therefore, affects margins in the wholesale market, overall.

There has also been a reduction in Load. NYISO averaged about 7-10% decrease in load across the State; NYISO now anticipates load reduction to be about 3-5% for the rest of the year.

In terms of communication with the customers, Commercial Operations have articulated that there may be a two percent reduction compared to what would otherwise be expected. Commercial Operations anticipates the remainder of the year staying consistent both on a price point relative to the energy crisis, as well as stabilizing on the Load.

Statewide Contributions

Customer Satisfaction

NYPA always articulate that it is a customer-center organization. Working with JD Power & Associates, NYPA introduced third-party benchmarking relative to customer satisfaction and developed a Customer Satisfaction Survey which included not only proprietary questions for the various products and services which NYPA provides, but also enabled NYPA to benchmark with utilities across the country to determine where it falls within the "Industry Average" so that NYPA can strive, in the next couple of years, to be above "Utility Average."

Economic Development

NYPA continues to support the economic development of the state with the traction and retention of jobs, as well as capital commitments, led with great success by Keith Hayes (SVP-Clean Energy Solutions), along with Richard Smith (Director Business & Project Development) in addition to the strength of NYPA's asset management, particularly for its hydro assets, under the leadership of Joseph Kessler.

Customer Offerings – Key Targets

The Commercial Operations team has a large portfolio and is in the process of developing a new format for the Chief Commercial Operations Report which had been developed earlier in this year; however, because of the COVID-19 pandemic they did not have an opportunity to share it with the Board. This reporting looks at sharing the key metrics and key drivers of particular business lines.

Clean Energy Solutions

Clean Energy Solutions represents the traditional Energy Efficiency Projects, which is the approximately \$300 million capital portfolio. All construction projects were stopped due to the Covid-19 pandemic; therefore, as a result of the four-month pause on some of the construction, Clean Energy Solutions did not meet its year-to-date target. Clean Energy Solutions do not realize revenues until it meets certain construction milestones; therefore, this result is a timing issue as opposed to a fundamental profit and loss or operating expense management issue.

New York Energy Manager

New York Energy Manager is the energy information platform to support managing demand, supporting decarbonization and optimizing energy usage. The more data that you have on the platform, the more analytics you have that can help drive better energy decisions. The New York Energy Manager is connected to more than 15,800 buildings across the state. To that end, it is on track for the number of data records that NYPA would like to have in the New York Energy Manager platform.

Evolve

The Board of Trustees authorized up to \$250 million to support the electrification of the transport industry, the key activities which includes supporting the state's objective of having a minimum of 10 electric vehicles charging stations in each Regional Economic Development Council ("REDC") region, and supporting the electrification of the bus transit system, 25 percent in upstate New York. To that end, NYPA is both helping to build out the public charging infrastructure, as well as supporting its customers in building out

their electric vehicle charging infrastructure to electrify the bus systems. NYPA did not meet its target for this initiative because of the four-month pause relative to the COVID-19 pandemic and will endeavor to meet this target the second half of the year.

Meeting Key Milestones

Product Development

Commercial Operations introduced the Marketing and Product Development group. The Green Power Products that come out of the Expanded Authority that enables the Authority to offer power to a broader customer base of local governments across the state was the result of this initial product development process. This will be launched in the second half of the year and Commercial Operations hopes to have some transactions supporting this as the load serving entity for some new customers across the State.

Utility Scale Developments and Customer Sited Projects

One of the goals of the CLCPA is for 3 gigawatts of energy storage by 2030 and 6 gigawatts of distributed energy resources or solar by 2025. NYPA is helping to support those goals by developing a 20-megawatts storage plant in the North Country, which was previously approved by the Board and for which construction has begun. The other is the solar rooftop project at the Jacob Javits Center, the largest solar rooftop project, to date, in New York City.

d. Chief Financial Officer's Report

Mr. Adam Barsky, Executive Vice President and Chief Financial Officer, provided highlights of the report to the Board. (Exhibit "4d-A"). He said that the Authority is still in unprecedented times with the uncertainty of a second wave or other disruptions that may impact the Authority, going forward. However, based on the actual results and forecasting, the numbers in this report represents the midpoint of a range in terms of worst-case/best-case results.

6+6 Year-to-Date Actuals (January – June 2020)

The actuals for the first six months (January-June 2020) from an Earnings Before Interest Depreciation & Amortization ("EBITDA") perspective, which is the earnings/cash flow examined in terms of the Authority's ability to have the capacity to meet its capital needs, is down from the original plan by \$65 million, the major driver of which is the collapse of the energy prices in February/March. The Authority adjusted its revenue forecast to reflect the new price environment and since that initial drop, prices have stayed at that lower level.

Net income for the first six months is negative \$23 million.

6+6 Full-Year Forecast (January – December 2020)**Merchant Portfolio**

Margins – Generation (\$52,714) – includes Merchant Gross Margin Variance of (\$44,906):
Budget at \$335,449 vs Current at \$290,488

Margins – Transmission (\$13,874) – includes RTEP payment of \$32,810

Margins – Non-Utility (\$6,039)

Operating Expenses (\$3,975)

Non-Operating Expenses \$8,178

The end-of-year forecast since the initial drop of \$45 million have stayed steady. There has been some customer reduction revenue related to prices, as well as load, some of which was offset by the sale of excess load into the ISO markets. Hedging activities during the year has continued to reduce some of the downside risk through the end of the year. In addition, the customer load reduction that was originally forecasted will rebound towards the end of the year, but still being slightly below the original forecast.

Net Income

Net Income projection through the end of the year is negative \$26 million. Timing and other factors affected the results and include:

- The Regional Transmission Enhancement Program ("RTEP") charges associated with the HTP line that runs across the Hudson. As mentioned at the last Board meeting, the court rendered a decision against NYPA and NYPA continues to challenge this decision. The Authority has taken a conservative view and booked the liability in the first six months, as well as the expense, and this will be forecasted into the future. In the second half of the year there will only be \$6 million remaining for the RTEP charges. The new transmission rates to take into effect from July 1 of this year through July of next year will help offset that negative RTEP charge.
- The pause had the effect of reducing the amount of allocation the Authority would add to capital from those projects, in that if the Authority is not working on capital projects it is not charging O&M expense to the capital projects, resulting in O&M expense being higher than what was budgeted.

- The Authority is un-pausing sooner than originally forecasted; therefore, some of the timing differences projected through the end of the year will start to narrow.
- Other expense reductions between now and the end of the year; some of the discretionary spending identified that was non-essential to major projects; and some under-spending in certain areas of the Income Statement.
- Some increase of costs related to responding to the COVID-19 pandemic which will represent that portion of the extra costs incurred which will not be FEMA reimbursable.
- The additional costs incurred in terms of overtime related to shelter in place; keeping the workers at the plants during the pandemic will be FEMA reimbursable, up to 75 percent. Generally, that represents the portion of additional expense for this year, along with some other expenses that may not be reimbursable.

e. Finance Committee Report

Chairperson Tracy McKibben reported that the Finance Committee met on July 16th where they considered 7 items from: Financial Operations (1); Utility Operations (3); Commercial Operations (2); and the Digital Transformation Office (1).

Financial Operations

The committee discussed the assignment and release, to one or more of the prequalified financial institutions selected by the Trustees at their September 2019 meeting, of up to **\$200 million** of loans to be made by the Authority to customers in its Customer Energy Efficiency Programs.

Utility Operations

The committee considered two items presented for a vote today. One item that was discussed at the committee meeting will be deferred for a vote at a later meeting.

The two items before the Board for a vote are:

1. Capital expenditures in the amount of **\$11.8 million** to implement the Replacement of Plattsburgh Autotransformer No. 1 Project and approve a two-and-half year contract in the amount of **\$7.4 million** to Royal SMIT Transformers of Nijmegen, The Netherlands. In addition, a recommendation was made that the Trustees approve waiving the requirements of the New York Buy American Act; and
2. Capital expenditures in the amount of **\$14.5 million** for the implementation of the Robert Moses Autotransformer No. 2 Project.

The item deferred for a later vote is one that the committee was recommending regarding a 15-year contract in the amount of **\$12.7 million**, which includes \$2.4 million in escalation over the life of the contract, to GE Renewables US LLC of Greenwood Village, CO for design, manufacture, and delivery of the Wicket Gates in support of the Next Generation Niagara Program – Mechanical and Electrical Upgrades Project.

Commercial Operations

Two items were discussed:

1. The acquisition of **37.5%** ownership stake in the AC Transmission Project
2. Execute back-to-back PPAs with SunPower/Goldman Sachs Renewable Power (“SP-GSRP”) and Port Authority of New York and New Jersey (“PANYNJ”), for an estimated annual cost of **\$857,851** for up to a term of 20 years (**\$17.1 million** total).

Digital Transformation Office

The committee discussed the establishment of a 5-year Master Service Agreement for energy and environmental analysis, Policy Development and Planning, with awards to thirteen (13) consulting firms in the amount of **\$30 million** for energy and environmental analysis, policy development and planning for the Authority.

The Finance Committee recommends that the Board adopt all of the Committee’s recommendations and defer the item titled “Niagara Power Project – Next Generation Niagara – Program – Mechanical and Electrical Upgrades – Wicket Gate Procurement – Contract Award.”

i. **Financial Operations**

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

The President and Chief Executive Officer submitted the following report:

"SUMMARY"

In connection with the Authority's Energy Efficiency Program, the Trustees are requested to authorize the assignment and release, to one or more of the prequalified financial institutions selected by the Trustees at their September 2019 meeting, of up to \$200 million of loans made by the Authority to customers in its Governmental Customer Energy Efficiency Program ('GCEEP') and Statewide Energy Efficiency Program ('Statewide EEP' and, together with the GCEEP, 'Customer Energy Efficiency Programs'). This asset assignment and release will improve NYPA's liquidity, allow for additional capital for the Authority's Customer Energy Efficiency Programs for future eligible program participants across New York State, and strengthen the Authority's credit metrics.

The Finance Committee at its July 16, 2020 meeting adopted a resolution recommending that the Trustees approve this authorization.

BACKGROUND

As deemed feasible and advisable by the Trustees, the Authority has been authorized to finance, design, develop, construct, implement, provide, and administer energy-related projects, programs, and services for eligible customers. See, e.g., Public Authorities Law §1005(17)(a).

The Authority is authorized to issue bonds for the purpose of financing any authorized project and to issue notes in the same manner as bonds. See, e.g., Public Authorities Law §1010 and §1009-a. The proceeds of such bonds may be loaned to customers to finance projects under the Authority's Customer Energy Efficiency Programs. As of May 1, 2020, the Authority had energy efficiency loans outstanding to customers in the Customer Energy Efficiency Programs in the amount of approximately \$550 million, had issued approximately \$460 million in commercial paper notes to finance such loans and had construction work in progress of approximately \$285 million.

DISCUSSION

Management is undertaking the monetization of certain energy efficiency loans, in this case through an assignment, to not only to improve the Authority's liquidity and credit profile, but also to create a programmatic approach to providing additional funding to mission critical programs that address the Executive Order and further New York State's energy goals. The assignment of such loans will include the assignment and release of any future payments under such loans and the release of any security interests relating to the same. Such assignments will be implemented pursuant to (i) a Long Term Financing Supplement to a Final Customer CIC or CPC (the 'Long Term Financing Supplement'), to be executed by and between the Authority and the applicable public entities, and (ii) an assignment agreement by and between the Authority and the financial institution purchasing the loans.

The proceeds of the assignment of the loans will be deposited into the Operating Fund pursuant to Section 503 of the Authority's General Resolution Authorizing Revenue Obligations, as amended and supplemented (the 'General Resolution') and will be applied to the payment of any related outstanding commercial paper obligations of the Authority or for any other lawful purpose of the Authority in accordance with the General Resolution.

Staff is preparing for the assignment and release of energy efficiency loans through a private placement to one or more of the prequalified financial institutions selected by the Board of Trustees in

September 2019 (the 'Assignee'). Staff anticipates up to \$200 million in energy efficiency loans may be assigned in this manner. These loan assignments will constitute true sales of the loans to the Assignee. After assignment, the customers will be obligated to make loan payments to the Assignee and loan payments will not be an obligation of the Authority. Furthermore, these loans will be assigned at full value as represented on the Authority's books at the time of assignment (i.e., no discount sales). The Authority may continue to service the loans with its customers post-assignment, through a Master Servicing Agreement, which will generate servicing fees for the Authority; however, the Authority will retain no financial loan obligation.

Staff believes that the assignment of these loans in the Authority's Customer Energy Efficiency Programs will improve the Authority's liquidity, allow for additional capital for the Authority's Customer Energy Efficiency Programs for future eligible program participants across New York State and strengthen the Authority's credit metrics.

For the reasons stated above, staff believes that the assignment of the energy efficiency loans as described in this memorandum is advisable and such energy efficiency loans are not essential to the maintenance and continued operation of the rest of the Authority's Projects (as defined in the Bond Resolution).

RECOMMENDATION

The Chief Financial Officer and the Finance Committee recommend that the Trustees authorize the assignment and release, to one or more of the prequalified financial institutions selected by the Trustees at their September 2019 meeting, of up to \$200 million of loans made by the Authority to customers in its Customer Energy Efficiency Programs.

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

On motion made by Trustee McKibben and seconded by Trustee Balboni, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Trustees hereby authorize the assignment and release to one or more of the prequalified financial institutions selected by the Trustees at their September 2019 meeting of certain outstanding loans, in an aggregate amount not to exceed \$200,000,000, made by the Authority to certain public entities in order to finance the design, development, construction, implementation and administration of energy-related projects, programs, and services for such public entities in accordance with Section 1005 (17) of the Power Authority Act; and be it further

RESOLVED, That the assignment and release of the loans described in this report is advisable and such loans are not essential to the maintenance and continued operation of the rest of the Authority's Projects (as defined in the Authority's General Resolution Authorizing Revenue Obligations, as amended and supplemented (the "Bond Resolution"); and be it further

RESOLVED, That the assignment and release of such loans includes the release of any future payments under such loans and any security interests relating to the same and such release will be undertaken pursuant to a (i) Long Term Financing Supplement to a Final Customer CIC or CPC (the "Long Term Financing Supplement"), to be executed by and between the Authority and the applicable public entities, and (ii) an assignment agreement by and

between the Authority and the financial institution purchasing the loans (the "Assignment Agreement"); and be it further

RESOLVED, That the Authority in its discretion may act as servicer of the loans so assigned and released pursuant to a Master Servicing Agreement (the "Servicing Agreement") by and between the Authority and the financial institution; and be it further

RESOLVED, That the proceeds of the assignment and release of the loans will be deposited into the Operating Fund pursuant to Section 503 of the Bond Resolution; and be it further

RESOLVED, That the proceeds of the assignment and release of the loans shall be applied to the payment of any related outstanding commercial paper obligations of the Authority or may be used any other lawful purpose of the Authority in accordance with the Bond Resolution; and be it further

RESOLVED, 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 (including the Long Term Financing Supplement, the Assignment Agreement and the Servicing Agreement) and any 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.

ii. **Utility Operations**

1. **St. Lawrence-FDR Power Project – Replacement of Plattsburgh Autotransformer No.1 – Capital Expenditure Authorization Request and Contract Award**

The President and Chief Executive Officer submitted the following report:

SUMMARY

The Trustees are requested to approve capital expenditures in the amount of \$11.8 million for the Replacement of Plattsburgh Autotransformer No. 1 ('Project'), and to approve the award of a competitively bid two-and-half year contract to Royal SMIT Transformers ('SMIT') of Nijmegen, The Netherlands, in the amount of \$7,339,641 for the design, manufacture, delivery, assembly and commissioning of Autotransformer No. 1 and the Robert Moses Autotransformer No. 2. In addition, the Trustees are requested to waive the requirements of the New York Buy American Act.

Capital Expenditures in the amount of \$300,000 for preliminary engineering were previously approved by the President and Chief Executive Officer in September 2019, bringing the total estimated Project cost to \$12.1 million.

The Finance Committee, at its July 16, 2020 meeting, adopted a resolution that the Trustees approve the capital expenditures and contract award.

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, the award of non-personal services contracts in excess of \$6 million require the Trustees' approval.

Additionally, in accordance with the Authority's Capital Planning and Budgeting Procedures, capital expenditures in excess of \$6 million require the Trustees' approval.

The Project will replace the existing Plattsburgh Autotransformer No. 1 which failed in December 17, 2018 due to an external high fault current and was taken out of service. An internal inspection of the transformer, performed by Buffalo Transformer Services, determined that the transformer's tertiary winding shorted to the core, causing extensive internal damage to the transformer.

DISCUSSION

The transformer, manufactured by GE, had been in operation since 1958. Options were reviewed and evaluated by the Authority's staff to either repair, retire or replace the transformer.

The repair costs of the transformer, including the shipping costs to the repair facility, were found to exceed the replacement cost of the transformer. Additionally, since the transformer is a critical asset to the Bulk Electric System ('BES'), it cannot be retired. As such, the recommendation is to replace the transformer.

In addition to the new transformer, the Project scope includes the dismantling and transport of the existing transformer offsite for disposal and the installation of new disconnecting equipment for isolation of the new transformer for maintenance. The existing facilities, including the masonry fire wall, and the oil

containment infrastructure will be evaluated for upgrades against current regulatory codes and environmental permit requirements.

Project execution is planned to occur over a three-year period. It commenced with the issuance in November 2019, of a Request-for-Proposal ('RFP') for the new Autotransformer, which includes the procurement of Robert Moses Autotransformer No. 2. Detailed engineering design will be completed for the installation of the disconnecting equipment and the foundation for the new transformer. Construction is planned in two phases. Phase one, to be completed in 2021, will include installation of the new disconnecting equipment. Phase two, to be completed in 2022, will include construction of the upgraded facilities for the new transformer. Delivery, assembly, testing and commissioning of the new transformer and project close-out are also planned to be complete in 2022, subject to approved outages.

The Authority issued RFP No. Q19-6854HM, via Ariba e-sourcing, which was advertised in the New York State *Contract Reporter* and posted on the Authority's Procurement website on November 27, 2019.

Five proposals were received on February 7, 2020 via the ARIBA e-sourcing portal:

Company	Location
ABB Enterprise Software, Inc. (ABB)	Varennnes, Quebec, Canada
ILJIN Electric Co. Ltd	Seoul, So. Korea
MVA Power, Inc.	Montreal, Quebec, Canada
PTI Transformer LP	Winnipeg, Manitoba, Canada
Royal SMIT Transformers (SMIT)	Nijmegen, The Netherlands

Proposals submitted, including responses to post-bid addenda issued on February 21 and June 1, 2020 and requests-for-clarifications issued on March 11 and April 13, 2020, were reviewed against established criteria by the Evaluation Committee ('Committee') comprised of Authority staff from Engineering, Strategic Supply Management, Quality, Safety, Operations, Project and Construction Management. The criteria included cost, technical compliance, quality assurance and quality control, prior experience of delivering equipment to the Authority, and support to the project delivery schedule.

The proposals were also reviewed for compliance with Executive Order ('EO') 13920 'Securing the United States Bulk Power System.' After reviewing this EO, it was considered applicable to this contract.

The proposals for both transformers were also reviewed for compliance with the New York Buy American Act. After review, it is recommended that the Act's requirements be waived based on the significant cost savings that would benefit the Authority and the best value offered by the recommended supplier.

Since the transformers are critical assets to the bulk electric system ('BES'), replacement must be procured from suppliers that are compliant with NERC CIP-13 requirements and qualified as BES equipment suppliers to the Authority.

Requirements for Minority and Women Business Enterprise and Service-Disabled Veteran-Owned Business were waived on this equipment contract.

The Committee concluded that SMIT submitted the best value proposal to the Authority that met the Authority's technical requirements, contractual terms and conditions and project delivery schedule. SMIT has a history of successfully providing autotransformers to the Authority. SMIT is compliant with Executive Order 13920 as it is from a non-adversarial country. Additionally, SMIT was determined to be a medium risk supplier, and with risk mitigation measures included in the contract documents, it is considered qualified as a BES equipment supplier to the Authority. Therefore, the Evaluation Committee recommends awarding a contract to SMIT for the reasons stated above.

Capital Expenditures in the amount of \$300,000 were previously approved in September 2019, for preliminary engineering.

The total capital expenditure authorization request is comprised of the following:

Engineering/ Design	\$ 1,430,000
Procurement of New Autotransformer No.1	\$ 4,252,500
Construction/Installation	\$ 4,800,000
Project Closeout	\$ 105,000
Authority Direct and Indirect Expenses	<u>\$ 1,212,500</u>
TOTAL	\$11,800,000

The proposed spending for this Project is included in the approved Four-Year Capital Plan.

FISCAL INFORMATION

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

RECOMMENDATION

The Senior Vice President and Chief Engineer – Operations Support Services, the Regional Manager – Transmission, the Vice President – Project Management, the Vice President – Strategic Supply Management, and the Senior Program Director recommend that the Trustees approve capital expenditures in the amount of \$11.8 million and the award of a two-and-half year procurement contract to Royal SMIT Transformers ('SMIT') of Nijmegen, The Netherlands, in the amount of \$7,339,641 for the design, manufacture, delivery, assembly and commissioning of the Plattsburgh Autotransformer No.1, and the Robert Moses Autotransformer No. 2. In addition, it is recommended that the Trustees waive the requirements of the New York Buy American Act, from this contract.

The Finance Committee, at its July 16, 2020 meeting, adopted a resolution that the Trustees approve the capital expenditures and contract award.

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

On motion made by Trustee McKibben and seconded by Trustee Balboni, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, that pursuant to the Authority's Capital Planning and Budgeting Procedures, capital expenditures in the amount of \$11.8 million are hereby authorized for the Replacement of the Plattsburgh Autotransformer No. 1 Project in accordance with, and as recommended in, the foregoing report of the 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 Replacement of the Plattsburgh Autotransformer No.1 Project.

<u>Capital</u>	<u>Expenditure Authorization</u>
Replacement of Plattsburgh Autotransformer No.1	<u>\$11,800,000</u>

AND BE IT FURTHER RESOLVED, That 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 two-and-half year contract to Royal SMIT Transformers, of Nijmegen, The Netherlands, in the amount of \$7,339,641 for the design, manufacture, delivery, installation and commissioning of the Plattsburgh Substation Autotransformer No. 1 and the Robert Moses Autotransformer No. 2, including waiving the requirements of the New York Buy American Act, from this contract, for the aforementioned project.

<u>Contractor</u>	<u>Contract Approval</u>
Royal SMIT Transformers Nijmegen, The Netherlands	<u>\$7,339,641</u>
(Q19-6854HM)	

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the 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.

2. St. Lawrence-FDR Power Project – Replacement of Robert Moses Autotransformer No. 2 – Capital Expenditure Authorization Request

The President and Chief Executive Officer submitted the following report:

SUMMARY

The Trustees are requested to approve capital expenditures in the amount of \$14.5 million for the Replacement of the Robert Moses Autotransformer No. 2 ('Project') located at the St. Lawrence-FDR Power Project.

Capital Expenditures in the amount of \$300,000 for preliminary engineering were previously approved by the President and Chief Executive Officer in September 2019, bringing the total estimated Project cost to \$14.8 million.

The Finance Committee, at its July 16, 2020 meeting, adopted a resolution that the Trustees approve the capital expenditures.

BACKGROUND

In accordance with the Authority's Capital Planning and Budgeting Procedures, capital expenditures in excess of \$6 million require the Trustees' approval.

The Project will replace the existing Robert Moses Autotransformer No. 2 which failed on January 24, 2019 and was taken out of service. An internal inspection was performed by ABB Transformer Remanufacturing & Engineering Services ('ABB') and their findings concluded that the failure was caused by an external fault in the electric system which propagated to the transformer internals through the tertiary windings, resulting in extensive damage to the transformer B-phase windings and, ultimately, led to transformer failure.

DISCUSSION

The transformer, manufactured by ASEA, had been in operation since 1976. Options were reviewed and evaluated by the Authority's staff to either repair, retire or replace the failed transformer.

The repair costs of the transformer, including shipping costs to the repair facility, were found to exceed the replacement cost of the transformer. Additionally, the transformer is considered a critical asset to the Bulk Electric System ('BES'), therefore it cannot be retired. As such, the recommendation is to replace the transformer.

In addition to the new transformer, the Project scope includes the dismantling and transport of the existing transformer offsite for disposal. The existing facilities, including the fire suppression system, foundation and structures, and the oil containment infrastructure, will be evaluated for upgrades against current regulatory codes and environmental permit requirements.

Project execution is planned to occur over a 3-year period. It commenced with the issuance in November 2019, of a Request for Proposal for the new transformer, which also includes procurement of a replacement transformer for the failed Plattsburgh Substation Autotransformer No. 1. The detailed design will be completed in 2021 with delivery, assembly, testing and commissioning of the new transformer planned for completion in 2022, subject to approved outages.

Capital Expenditures in the amount of \$300,000 were previously approved in September 2019, for preliminary engineering.

The total capital expenditure authorization request is comprised of the following:

Engineering/ Design	\$ 1,627,500
Procurement of Equipment	\$ 4,830,000
Construction/Installation	\$ 6,594,000
Project Closeout	\$ 105,000
Authority Direct and Indirect Expenses	<u>\$ 1,343,500</u>
TOTAL	\$14,500,000

The proposed spending for this Project is included in the approved Four-Year Capital Plan.

FISCAL INFORMATION

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

RECOMMENDATION

The Senior Vice President and Chief Engineer – Operations Support Services, the Regional Manager – Transmission, the Vice President – Project Management, the Vice President – Strategic Supply Management, and the Senior Program Director recommend that the Trustees approve capital expenditures in the amount of \$14.5 million to implement the Replacement of the Robert Moses Autotransformer No. 2 Project.

The Finance Committee, at its July 16, 2020 meeting, adopted a resolution that the Trustees approve the capital expenditures.

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

On motion made by Trustee McKibben and seconded by Trustee Balboni, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That pursuant to the Authority's Capital Planning and Budgeting Procedures, capital expenditures in the amount of \$14.5 million are hereby authorized for the Replacement of the Robert Moses Autotransformer No. 2 Project in accordance with, and as recommended in, the foregoing report of the 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 Replacement of Robert Moses Autotransformer No.2 Project.

Capital

**Expenditure
Authorization**

**Replacement of Robert Moses
Autotransformer No. 2**

\$14,500,000

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the 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.

3. **Niagara Power Project – Next Generation Niagara
Program – Mechanical and Electrical Upgrades –
Wicket Gate Procurement – Contract Award**

This item was deferred.

iii. Commercial Operations

1. **NYISO Public Policy AC Transmission Proceeding – Request to Acquire an Ownership Stake**

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Trustees are hereby requested to review and approve the request to acquire a 37.5% Ownership stake in the transmission project awarded to NYPA (Authority) and LS Power Grid New York Corporation I ('LS')¹ in connection with the AC Transmission Public Policy Requirements proceeding, which project is now referred to as the Marcy to New Scotland Upgrade Project (Project). NYPA has jointly pursued project development with LS in anticipation to elect a 37.5% ownership stake in the \$750M Project, as outlined in the Project's Participation Agreement ('PA'). This Project is anticipated to expand the Authority's transmission system asset base by up to 99 miles of newly constructed/reconductored circuits, the costs of which are expected to be recoverable through NYPA's formula rate tariff on file at the Federal Energy Regulatory Commission ('FERC'). NYPA's portion of the Project has an actual projected rate of return of 7.91%¹, which includes a 50-basis point return on equity risk adder. Per the PA, NYPA must determine whether it will acquire its ownership stake on or before late 2020.

The Finance Committee, at its July 16, 2020 meeting adopted a resolution recommending that the Board of Trustees approve the above request.

BACKGROUND

On February 29, 2016, in accordance with the New York Public Service Commission's ('PSC') order identifying transmission needs associated with the Central East and UPNY/SENY transmission interfaces, the New York Independent System Operator ('NYISO') issued the AC Transmission Public Policy Transmission Needs Project Solicitation (Solicitation), commencing a 60-day period for developers to submit proposals.

On March 16, 2016, the Authority executed a Memorandum of Understanding ('MOU') with LS to develop and submit proposals in response to the Solicitation. LS assumed the lead role and developed thorough proposals including transmission planning, engineering design, preparation of competitive cost estimates and construction schedules followed by formal submission and remittance of all NYISO required deposits and fees. The Authority provided technical assistance, comments, advice, and participation in all meetings with the NYISO, PSC, and regulatory agencies throughout the process. At its December 15, 2016 meeting, the Board of Trustees authorized funding of the Authority's share of expenses pursuant to the MOU.

On June 7, 2018, the Authority and LS entered into the PA, as contemplated in, and in replacement of, the MOU in anticipation of the final NYISO project selection decision.² The PA grants the Authority an option to elect an ownership interest of up to 37.5% of the total Project. It is also outlined and envisioned that NYPA and LS will negotiate an Operation and Maintenance ('O&M') agreement pursuant to which NYPA will operate and maintain the Project.

On April 8, 2019, the NYISO Board of Directors selected the Project as the winning proposal for segment A of the Transmission Need. In consideration of maintaining its purchase option under the PA, the Authority continues to fund its allocation of Project development costs until such time as the Authority decides to exercise its option.

¹Actual projected rate of return of 7.91% calculated based on 50/50 Debt to Equity ratio in 2021

²The MOU and PA were signed by North American Power. Subsequently, North American Power changed its name to LS Power Grid New York LLC (LS LLC). In January 2020, LS LLC assigned its rights in the Project and the PA to LS Power Grid New York Corporation I.

DISCUSSION

To date, NYPA has paid 33% of all Third-Party costs of the Project in anticipation of electing the ownership stake of up to 37.5%. If the Board of Trustees approves the acquisition, NYPA and LS Power will be required to complete a cost reconciliation from 33% to the 37.5%. This true-up value is approximately \$500,000, based on the year-to-date spend on the Project and was included within the 2020 Project Budget. Capital expenditures for this Project were approved by the Board of Trustees on May 21, 2019 and on December 11, 2019, as part of the 2020-2023 Approved Budget and Financial Plan for a cumulative spend of \$275.1M.

Continued participation in this Project will provide NYPA with new transmission assets with rate recovery through FERC.

FISCAL INFORMATION

To execute an ownership stake in the Project, no additional funding authorizations above the previously approved requests are required.

Rate recovery of Project costs was authorized by FERC in November 2019 in response to a NYPA petition requesting the following rate incentives: construction work in progress, abandonment, and a return on equity adder of 50 basis points. Based on an actual projected rate of return of 7.91%, which will be subject to a cost containment mechanism, the projected net revenue for the life of the asset is ~\$20 million per year.

RECOMMENDATION

The Executive Vice President and Chief Commercial Officer recommends that the Trustees grant approval to formally acquire the maximum ownership stake of 37.5% in the Marcy to New Scotland Upgrade Project. If the exercise of the ownership option is approved by the Trustees, NYPA and LS Power Grid New York Corporation I will have 60 days to effectuate the financial true-up described above. NYPA's option shall only be deemed exercised, and the closing on NYPA's ownership interest shall be deemed to occur, upon the completion of the reconciliation between the two parties.

The Finance Committee, at its July 16, 2020 meeting adopted a resolution recommending that the Board of Trustees approve the above request.

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

On motion made by Trustee McKibben and seconded by Trustee Balboni, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Chief Commercial officer or her designee, be, and hereby is, authorized to take such action as is necessary to enable the Authority to exercise its option to secure a 37.5% ownership interest in the transmission project awarded to NYPA and LS Power Grid New York Corporation I and begin the true-up process as defined in the Participation Agreement ("PA"), as identified in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the 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 Executive Vice President and General Counsel.

2. Port Authority of New York and New Jersey Power Purchase Agreements – John F. Kennedy International Airport

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Trustees are requested to authorize the execution of back-to-back Power Purchase Agreements ('PPA'), described below, with SunPower/Goldman Sachs Renewable Power ('SP-GSRP') and the Port Authority of New York and New Jersey ('PANYNJ'). The estimated annual cost of the PPAs with SP-GSRP will be \$856,851 per year for up to a term of 20 years (\$17,137,020 total) based on a preliminary budget analysis. These costs will be recovered in full, plus an ongoing advisory fee, and will be directly billed to PANYNJ under a separate PPA.

BACKGROUND

The Trustees' approval is being sought under Public Authorities Law 1005(17), which enables the Authority to finance and design, develop, implement, and administer energy related projects, and provide energy services for its customers. As described below, the Authority will be entering into two PPAs, back-to-back, with SP-GSRP for the purchase of energy and attributes from solar photovoltaic ('PV') and energy storage systems, and, in turn, selling that energy and attributes to PANYNJ under a separate PPA.

Under Governor Andrew M. Cuomo, New York State has identified the increased deployment of renewable distributed energy resources ('DER') as a top priority in efforts for the State to achieve its clean energy goals with Governor Cuomo directing the Authority to assist state entities to lead by example. PANYNJ has undertaken numerous projects to drive sustainability efforts and lead by example and engaged the Authority to procure commercial-scale solar PV and energy storage systems to be installed at PANYNJ's John F. Kennedy International Airport.

In support of the State's goals, the Trustees are requested to authorize the execution of PPAs with SP-GSRP and PANYNJ, enabling the completion of the John F. Kennedy International Airport Solar PV and Energy Storage Project.

DISCUSSION

The Authority's Clean Energy Solutions team offers subject matter expertise and project management for the procurement and implementation of renewable distributed energy resources, to all Authority customers meeting the eligibility criteria under Public Authorities Law Section 1005(17). The Authority was engaged by PANYNJ to solicit proposals for solar PV and energy storage systems at multiple locations within the John F. Kennedy International Airport, and support PANYNJ's sustainability and renewable energy goals. These systems will provide PANYNJ with approximately 7,200 kilowatts of solar PV capacity and 2,500 kilowatts of energy storage capacity, which are expected to generate more than 8,000,000 kilowatt hours of electricity per year. Using the 2,500 kilowatt energy storage system, PANYNJ will be able to reduce its local demand costs and potentially be able to participate in demand response and other energy usage optimization programs, as well as provide resiliency benefits to the AirTrain system during electric system outages or emergency situations.

On April 26, 2019, Request for Proposal ('RFP') Q19-6703HM was posted in Ariba and advertised in the New York State *Contract Reporter*, soliciting firms interested in providing solar PV and energy storage systems through a 'back-to-back' PPA structure for PANYNJ. Under this contracting structure, the solar PV and energy storage systems are owned, operated and maintained by a third-party throughout the term of the PPA, with the Authority responsible for purchasing all attributes produced by the solar PV and energy storage systems. Those attributes are then purchased by PANYNJ from the Authority under substantially like terms and conditions.

In response to the invitation to bid, on June 28, 2019, proposals were received from 11 firms. The proposals were reviewed by an Evaluation Committee comprised of Clean Energy Solutions, Strategic Supply Management, and Finance. At the conclusion of the evaluation process, Clean Energy Solutions requested that SP-GSRP be released to begin the design development process of the solar PV and energy storage system at PANYNJ. In concurrence with that request, granted on September 25, 2019, the Trustees' approval is now being sought to proceed with 'back-to-back' PPA execution as a result of a successful design development phase.

FISCAL INFORMATION

The estimated annual cost of the Power Purchase Agreements ('PPA') with SP-GSRP will be \$856,851 per year for up to a 20-year term (\$17,137,020 total) based on a preliminary budget analysis. These costs, plus an ongoing advisory fee, will be directly billed to PANYNJ under a separate PPA. Additionally, the Authority will receive funds sufficient to fully recover cost incurred by Clean Energy Solutions Business Development for advisory services rendered throughout the procurement and implementation processes.

RECOMMENDATION

The Executive Vice President and Chief Commercial Officer, the Senior Vice President – Clean Energy Solutions, and the Vice President – Business Development recommends that the Trustees approve the request to execute back-to-back Power Purchase Agreements ('PPAs') with SunPower/Goldman Sachs Renewable Power ('SP-GSRP') and Port Authority of New York and New Jersey ('PANYNJ'), for an estimated annual cost of \$856,851 for up to a term of 20 years.

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

On motion made by Trustee McKibben and seconded by Trustee Balboni, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Trustees hereby authorize execution of back-to-back Power Purchase Agreements with SunPower/ Goldman Sachs Renewable Power and the Port Authority of New York and New Jersey, for an estimated annual amount of approximately \$856,851 for up to a term of 20 years as described in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the 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.

iv. **Digital Transformation Office**

1. **Energy & Environmental Policy Development, Analysis
And Strategic Planning – Authorization to Award Master
Services Agreement Contracts for the Executive Office**

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Trustees’ approval/concurrence is requested to award five-year personal services contracts for Energy & Environmental Policy Development, Analysis and Strategic Planning for the Executive Office in the aggregate not-to-exceed amount of thirty million dollars to thirteen qualified firms. The selected qualified firms, individually or as a group, will assist the Authority with policy development, analysis and strategic planning in order to implement the Authority’s new Strategic Plan - Vision2030, and the goals of the Climate Leadership and Community Protection Act (‘CLCPA’).

The Finance Committee, at its July 16, 2020 meeting, adopted a resolution recommending that the Trustees approve the award of the contracts described above.

BACKGROUND

Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts require the Trustees’ approval for 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 personal services contracts in excess of \$2 million require the Trustees’ approval.

Vision2030 will place the Authority’s customers at the center of its Strategic Plan. The Plan focuses on six investment areas: Clean and Affordable Generation & Transmission (‘G&T’), Energy Efficiency, Electrification, Demand Flexibility, Internet of Energy Assets, and People and Communities. On November 11, 2019, the Authority issued a Request for Proposal (‘RFP’) to prequalify firms that could provide Energy & Environmental Policy Development, Analysis and Strategic Planning in support of Vision2030 and CLCPA implementation. The scope of services outlined in the RFP encompasses a wide range of subject matter areas including:

- | | |
|---|--|
| • Management consulting in the electric utility sector | • Electric system planning |
| • Electric grid operations | • The NYISO energy market |
| • Installed Reserve Margin and Locational Capacity Requirements | • Capacity delivery requirements |
| • Electric reliability organization, including NPCC and NYSRC | • Renewable resource and storage resource operations |
| • Climate change science | • Distributed energy resources |
| • Energy asset finance | • Energy market analysis and modeling |
| • Economic modeling and analysis | • Sensitivity analyses |
| • Carbon pricing | • Resource adequacy analysis. |
| • Energy storage | • Technology trends (e.g., energy storage) |
| • Energy efficiency | • Clean energy solutions |
| • Risk analysis and mitigation | • New York laws, regulations, and policies in the energy arena |

DISCUSSION

In response to the Authority's RFP advertised in the NYS *Contract Reporter* on November 11, 2019, (RFP No. Q19-6832CL), nineteen proposals were received on December 20, 2019, from the following firms:

1. Accenture LLP
2. Advisian Worley Group
3. AECOM Technology Corporation
4. Boston Consulting Group
5. Columbia University
6. EJM Associates LLC
7. Energy and Environmental Economics, Inc.
8. O'Brien & Gere Engineers
9. ICF International Inc.
10. Massachusetts Institute of Technology
11. GuideHouse LLP (p/k/a Navigant Consulting Inc.)
12. Optimal Energy Inc.
13. PA Consulting Group, Inc
14. ScottMadden Inc.
15. Sustainable Energy Advantage LLC
16. The Brattle Group, Inc.
17. TRC Engineers, Inc.
18. West Monroe Partners
19. Western Power Projects Advisors LLC

The Evaluation Committee, consisting of representatives from Commercial Operations, Public and Regulatory Affairs, Strategic Supply Management, and the Digital Transformation Office, reviewed each proposal, taking into consideration technical and commercial criteria, including, but not limited to the following:

- a) Competency: Vendors must identify one or more of the listed capabilities and demonstrate an ability to develop and deploy them at NYPA
- b) Financial stability: Companies must have active paying customers and be financially stable
- c) Strategic alignment: Companies have strategic alignment in their long-term R&D and market development plans, and in the ongoing needs of electric utilities
- d) Compatibility: Solutions are compatible with ISO 55001
- e) Domain expertise: The company and individuals at the company have significant domain expertise in the power sector
- f) Track record: Vendors can demonstrate they have successfully deployed the solutions they propose delivering to NYPA to other enterprise customers, and
- g) Response: The vendor response is clear, articulate, and accurate.

The Authority will seek to achieve or exceed Minority/Women-Owned Business Enterprise ('M/WBE') and related goals for the scope-of-work that will be assigned after value contracts are awarded.

The Evaluation Committee finds that the following thirteen firms demonstrate the expertise and experience in the areas assessed:

1. Accenture LLP
2. Boston Consulting Group
3. Columbia University
4. EJM Associates LLC
5. Energy and Environmental Economics, Inc.
6. ICF International Inc.
7. Massachusetts Institute of Technology

8. GuideHouse LLP (p/k/a Navigant Consulting Inc.
9. PA Consulting Group, Inc.
10. ScottMadden Inc.
11. Sustainable Energy Advantage LLC
12. The Brattle Group, Inc.
13. West Monroe Partners

FISCAL INFORMATION

Services under these contracts will be provided on an as-needed basis and/or availability, using the hourly rates. Payments associated with this project will be made from the Authority's Capital or Operations Fund, as appropriate.

RECOMMENDATION

Based on the foregoing, the Evaluation Committee requests the Trustees' concurrence/ approval to award five-year personal services contracts for Energy & Environmental Policy Development, Analysis and Strategic Planning for the Executive Office in the aggregate not-to-exceed amount of thirty million dollars to thirteen qualified firms: (1) Accenture Consulting of New York, NY; (2) Boston Consulting Group of Boston, MA; (3) Columbia University of New York, NY; (4) EJM Associates LLC of Washington, D.C.; (5) Energy and Environmental Economics, Inc. of San Francisco, CA; (6) ICF International Inc. of Fairfax, VA; (7) Massachusetts Institute of Technology of Cambridge, MA; (8) GuideHouse LLP (p/k/a Navigant Consulting Inc.) of New York, NY; (9) PA Consulting Group, Inc of New York, NY; (10) ScottMadden Inc. of Raleigh, NC; (11) Sustainable Energy Advantage LLC of Framingham, MA; (12) The Brattle Group, Inc. of Boston, MA; and (13) West Monroe Partners of Chicago, IL.

The Finance Committee, at its July 16, 2020 meeting, adopted a resolution recommending that the Trustees approve the award of the contracts described above.

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

On motion made by Trustee McKibben and seconded by Trustee Balboni, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, approval is hereby granted to award five-year contracts in the aggregate not-to-exceed amount of thirty million dollars to: (1) Accenture Consulting of New York, NY; (2) Boston Consulting Group of Boston, MA; (3) Columbia University of New York, NY; (4) EJM Associates LLC of Washington, D.C.; (5) Energy and Environmental Economics, Inc. of San Francisco, CA; (6) ICF International Inc. of Fairfax, VA; (7) Massachusetts Institute of Technology of Cambridge, MA; (8) GuideHouse LLP (p/k/a Navigant Consulting Inc.) of New York, NY; (9) PA Consulting Group, Inc. of New York, NY; (10) ScottMadden Inc. of Raleigh, NC; (11) Sustainable Energy Advantage LLC of Framingham, MA; (12) The Brattle Group, Inc. of Boston, MA; and (13) West Monroe Partners of Chicago, IL as recommended in the foregoing report of the President and Chief Executive Officer;

<u>Contractor</u>	<u>Location</u>	<u>\$30 million aggregate</u>
Accenture Consulting	New York, NY	
Boston Consulting Group	Boston, MA	
Columbia University	New York, NY	
EJM Associates LLC	Washington, D.C.	
Energy and Environmental Economics, Inc.	San Francisco, CA	
ICF International Inc.	Fairfax, VA	
Massachusetts Institute of Technology	Cambridge, MA	
GuideHouse LLP (p/k/a Navigant Consulting Inc.)	New York, NY	
PA Consulting Group, Inc.	New York, NY	
ScottMadden Inc.	Raleigh, NC	
Sustainable Energy Advantage LLC	Framingham, MA	
The Brattle Group, Inc.	Boston, MA	
West Monroe Partners	Chicago, IL	

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the 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.

f. Audit Committee Report

The Audit Committee Chair, Eugene Nicandri, reported that the Committee met on July 16th and received an Internal Audit update from Angela Gonzalez, Senior Vice President of Internal Audit. The Committee also adopted minutes of the meeting held on March 26, 2020 and approved the Audit Charters for both NYPA and Canal Corporation and the Internal Audit Charter in the Consent Agenda.

He continued that the Committee adopted a motion to recommend to the full Board the approval of the NYPA and Canal Corporation Audit Charters as set forth in Exhibits 4f i-A and 4f i-B and approval of the Power Authority's Internal Audit Charter as set forth in Exhibit 4f ii-A.

i. **Approval of the New York Power Authority and Canal Corporation Audit Committee Charters**

The President and Chief Executive Officer submitted the following report:

SUMMARY

The Authority's Trustees and the Canal Corporation's Board of Directors are requested to adopt the Authority's and the Canal Corporation's Audit Committee Charters as set forth in Exhibits '4f i-A' and '4f i-B,' and recommended by the Audit Committee at its July 16, 2020 meeting.

BACKGROUND

The Authority's Audit Committee Charter was last amended on December 12, 2017 to reflect best practices and to conform to the Canal Corporation's Audit Committee Charter, which was adopted on January 31, 2017. There were no additional changes to the Audit Committee Charters, and approval was granted by the Audit Committee for compliance with the Institute of Internal Auditors Standards at the July 9, 2019 Audit Committee meeting.

As a result of the Institute of Internal Auditors external quality assessment of Internal Audit in August 2019, recommendations were made to enhance both the Authority's and the Canal Corporation's Audit Committee Charters to further align with the Institute of Internal Auditors Standards.

FISCAL INFORMATION

None.

RECOMMENDATION

The Audit Committee recommends that the Authority's Trustees and the Canal Corporation's Board of Directors adopt the Authority's and the Canal Corporation's Audit Committee Charters as presented and set forth in Exhibits '4f i-A' and '4f i-B.'

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

On motion made by Vice Chair Nicandri and seconded by Trustee McKibben, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the attached Authority and Canal Corporation Audit Committee Charters be adopted in the form proposed in Exhibits "4f i-A" and "4f i-B."

ii. **Approval of New York Power Authority Internal Audit Charter**

The President and Chief Executive Officer submitted the following report:

SUMMARY

The Authority's Trustees are requested to adopt the Authority's Internal Audit Charter as set forth in Exhibit '4f ii-A' and recommended by the Audit Committee at its July 16, 2020 meeting.

BACKGROUND

The Authority's Internal Audit Charter was last amended on October 5, 2018 to reflect reporting line changes and updates to audit processes. There were no additional changes to the Internal Audit Charter, and approval was granted by the Audit Committee at the July 9, 2019 Audit Committee meeting.

As a result of the Institute of Internal Auditors external quality assessment of Internal Audit in August 2019, recommendations were made to enhance the Authority's Internal Audit Charter to further align with the Institute of Internal Auditors Standards.

FISCAL INFORMATION

None.

RECOMMENDATION

The Audit Committee recommends the adoption of the Authority's Internal Audit Charter as presented and set forth in Exhibit '4f ii-A.'

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

On motion made by Vice Chair Nicandri and seconded by Trustee McKibben, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the attached Authority Internal Audit Charter be adopted in the form proposed in Exhibit "4f ii-A."

g. Cyber and Physical Security Committee Report

The Chair of the Cyber and Physical Security Committee, Michael Balboni, reported that the Committee met earlier today and received a report regarding NYPA's security posture and the response to COVID-19 from Larry Mallory, Senior Director of Physical Security and Crisis Management and Kenneth Carnes, Chief Information Security Officer. He said that NYPA continues to support the electric sector and New York State's integrated response in this new environment.

He continued that the committee also discussed a report from the World Economic Forum on Cyber Resilience in the Electricity Ecosystem. Included in the report, is a NYPA use case that recognizes NYPA's Effective oversight of enterprise cyber risk with defined organizational governance and prioritization of holistic cyber risk management. He said that NYPA will remain focused on its resilient and secure operations. The committee also received information about the new partnership with Siemens to develop an industrial cyber security Center of Excellence.

He ended by saying that no votes were taken during the meeting.

5. CONSENT AGENDA:

On motion made by Vice Chair Nicandri and seconded by Trustee Trainor, the members approved the Consent Agenda.

a. Commercial Operations

i. Expansion Power Allocation

The President and Chief Executive Officer submitted the following report:

SUMMARY

The Trustees are requested to approve an allocation of 700 kilowatts ('kW') of Expansion Power ('EP') to Western New York Energy, LLC ('WNY Energy') to support the company's proposed expansion at its existing facility located at 4141 Bates Road in Medina (Orleans County). The project is discussed in detail below and in Exhibit '5a i-A.'

BACKGROUND

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

Each application for an allocation of EP and RP are evaluated under criteria that include but need not be limited to, those set forth in PAL §1005(13)(a), which details general eligibility requirements. Among the factors to be considered when evaluating a request for an allocation of hydropower are the number of jobs created as a result of the allocation; the business' long-term commitment to the region as evidenced by the current and/or planned capital investment in the 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 Economic Development Entities to help maximize the value of hydropower to improve the economy of Western New York and the State of New York. Each organization has expressed support for today's recommended EP allocation.

At this time, 64,395 kW of unallocated EP and 89,836 kW of unallocated RP is available to be awarded to businesses under the criteria set forth in PAL §1005(13)(a).

DISCUSSION

Established in 2004, WNY Energy is a major producer of ethanol for a variety of industries. Due to the COVID-19 pandemic, the company has modified its operations beyond the production of fuel ethanol to produce technical grade ethanol which is used in hand sanitizers. The company now provides clients with ethanol needed to produce sanitizer in response to the global pandemic. WNY Energy can produce up to 150,000 gallons per day of technical grade ethanol.

The company currently employs approximately 47 people at their Medina facility. WNY Energy currently has 5,000 kW of RP supporting existing operations with an employment commitment of 40 jobs.

WNY Energy is proposing to construct an 8,000 square-foot addition to its existing facility to support the production of technical grade and beverage grade ethanol. The company would also be making significant machinery and equipment purchases as part of its expansion project.

WNY Energy's expansion project would involve a capital investment of at least \$17.5 million to accommodate construction and machinery and equipment purchases. Construction costs would represent a capital investment expenditure of at least \$120,000 which includes building costs, the loading and storage of finished products, the installation of a concrete pad, and the placement of newly purchased machinery and equipment.

Machinery and equipment purchases would collectively represent a capital investment expenditure of at least \$17.38 million. New distillation columns, pumps, agitators, condensers, rectifiers, control valves, temperature and pressure gauges, flowmeters, piping, and insulation would be purchased in connection with the expansion project.

WNY Energy plans to have the expansion completed in 2021. The company also anticipates additional expansion opportunities at the Medina facility in the future.

The company would commit to the creation of 10 new, permanent, full-time jobs that would be located at the Medina facility. The average compensation/benefits are estimated to be \$73,910 per job.

The company applied for 1,000 kW of hydropower in connection with the expansion. Staff recommends an allocation of EP in the amount of 700 kW for a term of ten years.

The job creation ratio for the proposed allocation of 700 kW is 14 new jobs per MW. This ratio is below the historic average of 65 new jobs per MW based on allocations previously awarded. The total investment of at least \$17.5 million would result in a capital investment ratio of \$25 million per MW. This ratio is above the historic average of \$17.2 million per MW.

The Economic Development Entities have expressed support for the recommended allocation to WNY Energy.

CONTRACT INFORMATION

If approved, the new allocation would be added to the customer's existing contract relating to the sale of Authority hydropower for use at the facility. Authority Service Tariff No. WNY-2 ('ST WNY-2') would also apply to the sale of the allocation. The following is a summary of the matters addressed in the contract 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 that 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.

RECOMMENDATION

The Senior Vice President – Clean Energy Solutions recommends that the Trustees approve an allocation of 700 kW of Expansion Power to Western New York Energy, LLC as described herein and in Exhibit '5a i-A' for a term of ten years.

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

On motion made and seconded, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That an allocation of 700 kilowatts of Expansion Power awarded to Western New York Energy, LLC for a term of 10 years as detailed in the foregoing report of the President and Chief Executive Officer ("Report") and Exhibit "5a i-A," 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 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.

ii. **Recharge New York Power – New, Extended, and Modified Allocations**

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Trustees are requested to authorize the extension of each of the 6 allocations of Recharge New York (‘RNY’) Power (‘Allocation’ or collectively ‘Allocations’) awarded to the businesses listed in Exhibit ‘5a ii-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) 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) Unless otherwise noted, each of the customers identified in Exhibit ‘5a ii-A’ is in compliance with its contractual obligations to the Authority under its Current RNY Power Agreement.

In addition, the Trustees are requested to approve a modification to an existing RNY Power allocation and associated commitments for the customer listed in Exhibit ‘5a ii-B.’

Lastly, the Trustees are requested to award new allocations of RNY Power available for ‘retention’ purposes to the businesses listed in Exhibit ‘5a ii-C’ in the amounts indicated therein, award new allocations of RNY Power available for ‘expansion’ purposes to the businesses listed in Exhibit ‘5a ii-D’ in the amounts indicated therein, and award new allocations of RNY Power available for eligible small businesses and/or not-for-profit corporations to the entities listed in Exhibit ‘5a ii-E’ in the amounts indicated therein.

The sale of any 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 of the above actions have been recommended by the Economic Development Power Allocation Board (‘EDPAB’) at its July 27, 2020 meeting.

BACKGROUND

On April 14, 2011, Governor Andrew M. Cuomo signed into law the RNY Power Program 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 Governor Cuomo’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 on-line 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; at least 200 MW of RNY Power shall be dedicated to the purpose of attracting new businesses and encouraging expansion of existing businesses statewide; and up to 100 MW shall be dedicated 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 '5a ii-G' to this report. An allocation recommended by EDPAB qualifies the subject applicant to enter into 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 '5a ii-C,' '5a ii-D,' and '5a ii-E,' 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. Unless otherwise noted in Exhibit '5a ii-E,' not-for-profit corporation applicants that scored relatively high were recommended for allocations of 33% of the requested amount or average historic demand, whichever was lower. These allocations were capped at 5 MW. Although not applicable in the recommendations presented herein, 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 seven prior occasions spanning from October 2018 through May 2020. 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 twenty-seven prior occasions spanning from April 2012 through May 2020. Of the 200 MW block of RNY Power made available pursuant to Chapter 60 for business 'expansion' purposes, 88.9 MW remain unallocated. Of the 100 MW block of RNY Power that is set aside for not-for-profit corporations and small businesses pursuant to Chapter 60, 4.3 MW remain unallocated. Of the remaining RNY Power made

available pursuant to Chapter 60, 129.4 MW remain unallocated. These figures reflect Trustee actions on RNY Power applications taken prior to any actions the Trustees take today.

EDPAB, at its meeting held on July 27, 2020, recommended that the Trustees approve extensions for the 6 RNY Power allocations that are listed in Exhibit '5a ii-A.' EDPAB also recommended that the Trustees approve the modifications related to the RNY Power allocation described in Exhibit '5a ii-B' for the reasons discussed below and in Exhibit '5a ii-B.' In addition, EDPAB recommended that each of the applicants identified in Exhibits '5a ii-C,' '5a ii-D,' and '5a ii-E' be awarded an RNY Power allocation in the amounts indicated in these respective Exhibits.³

Consistent with provisions of the RNY Statutes, EDPAB recommended that the contract for the sale of these 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 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 Allocations

For the current round of recommendations, Authority staff has reviewed applications from 6 RNY Power customers listed on Exhibit '5a ii-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.

Staff is recommending that the full Allocations be extended for each company as indicated in Exhibit '5a ii-A.'

³ EDPAB also recommended the termination of the application review process for the applicant listed in Exhibit '5a ii-F' for the reasons discussed in Exhibit '5a ii-F.' No action is required by the Trustees.

In summary, the businesses listed on Exhibit '5a ii-A,' which are located throughout the State, bring valuable benefits to the State. In total, the Allocations listed in Exhibit '5a ii-A' are supporting the retention of 3,718 jobs and \$213.9 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 '5a ii-A' for the Extended Term.

At its meeting held on July 27, 2020, EDPAB recommended to the Trustees that each of the Allocations listed on Exhibit '5a ii-A' be extended for 7 years as described above.

Based on the foregoing discussion, staff recommends that the Trustees extend the Allocations listed on Exhibit '5a ii-A' as described above and in Exhibit '5a ii-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 '5a ii-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 '5a ii-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 on Exhibit '5a ii-A' is appropriate and is consistent with the applicable statutory criteria listed in Exhibit '5a ii-G.' 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. Modification to Existing Allocation and Related Supplemental Commitments

At its meeting held on July 27, 2020, EDPAB recommended that the Trustees approve modifications relating to the RNY Power allocation listed on Exhibit '5a ii-B' for D'Addario & Company, Inc.

D'Addario & Company, Inc. was previously approved for an RNY Power allocation extension totaling 800 kilowatts ('kW'). Since that time, the company has applied for additional RNY Power to accommodate additional load in two new buildings. Staff reviewed the demand and energy data for the two new buildings and is recommending that the amount of the company's extended allocation be increased by 26 kW from 800 kW to 826 kW.

In addition, D'Addario & Company, Inc. has requested to modify its employment and capital investment commitment related to its allocation. Currently, the commitments are 821 jobs and \$13.3 million in capital spending. Due to current business conditions, the company would like to modify these commitments to 815 jobs and \$9.3 million in capital spending. Staff is recommending that the amount of the company's extended employment commitment be revised to 815 jobs, and that the amount of the company's capital investment commitment be revised to \$9.3 million.

In view of the customer's circumstances, staff has no objection to the requested modifications, and therefore recommends that the Trustees approve the modifications listed in Exhibit '5a ii-B.'

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 '5a ii-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 27, 2020 meeting, that RNY Power retention allocations be awarded to the businesses listed in Exhibit '5a ii-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. The RNY Power 'retention' allocations identified in Exhibit '5a ii-C' are each 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 businesses listed on Exhibit '5a ii-C' in the amounts indicated therein.

4. Expansion-Based RNY Power Allocations

The Trustees are also asked to address applications submitted for RNY Power expansion-based allocations. 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 '5a ii-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 27, 2020 meeting, that RNY Power expansion-based allocations be made to the businesses listed in Exhibit '5a ii-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 '5a ii-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 '5a ii-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 '5a ii-D.'

Staff recommends that the Trustees accept EDPAB's recommendations and award RNY Power allocations to each of the businesses listed on Exhibit '5a ii-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. Chapter 60 specifies that no more than 100 MW of RNY Power may be made available for eligible small businesses and eligible not-for-profit corporations.

Consistent with the evaluation process described above, EDPAB recommended, at its July 27, 2020 meeting, that RNY Power allocations be awarded to the small businesses and/or not-for-profit applicants listed in Exhibit '5a ii-E.' These applicants have committed to retain or create jobs in New York State and make capital investments to the extent indicated in Exhibit '5a ii-E' in exchange for the

recommended RNY Power allocations as described in Exhibit '5a ii-E.' The RNY Power allocations identified in Exhibit '5a ii-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 on Exhibit '5a ii-E' in the amounts indicated therein.

In accordance with Chapter 60, if EDPAB's recommendation to award RNY Power allocations to the small businesses and/or not-for-profit applicants listed in Exhibit '5a ii-E' is accepted, the 100 MW block of power will be close to fully allocated. Accordingly, staff is prepared to establish a waiting list for small businesses and not-for-profit corporations who wish to apply for RNY Power.

6. Termination of Application/Review Process

At its meeting on July 27, 2020, EDPAB terminated the application review process for the applicant listed on Exhibit '5a ii-F' for the reasons listed on Exhibit '5a ii-F.' No action by the Trustees is required on this matter. In the past, some applicants in these circumstances refiled once they were in a position to advance a more complete RNY Power application.

RECOMMENDATION

The Senior Vice President – Clean Energy Solutions recommends that the Trustees accept the recommendations of the Economic Development Power Allocation Board and:

- (1) authorize the extension of each of the existing 6 Allocations of RNY Power in the manner described above for the customers listed on Exhibit '5a ii-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 allocation and supplemental commitments described in Exhibit '5a ii-B' for the reasons discussed above;
- (3) award the new allocations of RNY Power for retention purposes to the businesses listed in Exhibit '5a ii-C' as indicated therein;
- (4) award the new allocations of RNY Power for expansion purposes to the businesses listed in Exhibit '5a ii-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 '5a ii-E' for retention and expansion purposes as indicated therein.

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

On motion made and seconded, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

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 6 Recharge New York ("RNY") Power allocations ("Allocation" or collectively "Allocations") previously awarded to the customers listed in Exhibit "5a ii-A" in the manner described in the foregoing report of the President and Chief Executive Officer ("Report") 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;
- (b) in order to receive an extension of its Allocation, the customer agrees to provide the supplemental commitments for jobs, capital investment and power utilization that are the same or determined by the Authority to be substantially similar to those contained in Exhibit “5a ii-A” (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.

RESOLVED, That the Trustees hereby accept the recommendation of the EDPAB and approve the modifications/ adjustments to the extended allocation and supplemental commitments described in Exhibit “5a ii-B” for the reasons indicated in the Report and Exhibit “5a ii-B”; and be it further

RESOLVED, That the Trustees hereby accept the recommendation of the EDPAB and approve the new RNY Power allocations for retention purposes to the applicants listed in Exhibit “5a ii-C” in the amounts indicated therein for the reasons indicated in the Report and Exhibit “5a ii-C”; and be it further

RESOLVED, That the Trustees hereby accept the recommendation of the EDPAB and approve the new RNY Power allocations for expansion purposes to the applicants listed in Exhibit “5a ii-D” in the amounts indicated therein for the reasons indicated in the Report and Exhibit “5a ii-D”; and be it further

RESOLVED, That the Trustees hereby accept the recommendation of the EDPAB and approve the new RNY Power allocations for retention and expansion purposes to the small businesses and/or not-for-profit applicants listed in Exhibit “5a ii-E” in the amounts indicated therein for the reasons indicated in the Report and Exhibit “5a ii-E”; and be it further

RESOLVED, That the Chief Commercial Officer – Commercial Operations, or such official’s designee, hereby is authorized on behalf of the Authority to provide for final terms and conditions that will be applicable to the foregoing allocations and/or projects, including without limitation progress milestones and provisions for the expiration of any allocation in the event that such milestones are not met; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the 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.

iii. **Preservation Power Allocation Extension and Notice of Public Hearing**

The President and Chief Executive Officer submitted the following report:

"SUMMARY"

The Trustees are requested to: (1) extend an allocation of 1,850 kilowatts ('kW') of Preservation Power ('PP') to Upstate Niagara Cooperative, Inc. ('Upstate Niagara') for use at its North Country Dairy facility in North Lawrence, St. Lawrence County, through June 30, 2030; and (2) authorize a public hearing in accordance with Public Authorities Law ('PAL') §1009 on a proposed form of contract ('Proposed Contract') that would, along with New York Power Authority ('NYPA' or 'Authority') Service Tariff No. 20 ('ST 20'), apply to the sale of firm PP to Upstate Niagara for the extended term. Copies of the Proposed Contract and ST 20 are attached as Exhibit '5a iii-A.'

BACKGROUND

Under PAL §1005(13)(a), the New York Power Authority ('NYPA' 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.

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 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.

For PP, NYPA confers with economic development officials from Franklin, Jefferson and St. Lawrence counties along with the Northern New York ('NNY') representative of the Empire State Development to coordinate other economic development incentives that could help bring projects to New York State and to assess support for applications. Staff discusses potential recommendations with these entities to help maximize the value of hydropower to improve the economy of NNY and New York State.

The Trustees, on January 31, 2017, extended an earlier PP allocation for Upstate Niagara, then totaling 2,250 kW, through June 30, 2020. In December 2018, that allocation was reduced to 1,850 kW in order better address Upstate Niagara's power requirements.

The customer has requested an extension of the current 1,850 kW PP allocation (the 'Allocation') for a term ending June 30, 2030, and is committing to employ at least 80 full-time employees, and make an average of \$2 million per year capital investment, for the extended term of the Allocation.

There is currently 219,080 kW of PP available to allocate to qualified businesses under the criteria set forth in PAL §1005(13)(a).

DISCUSSION

1. Upstate Niagara

Associated with more than 360-family-owned and operated farms, Upstate Niagara is one of the largest and most stable dairy cooperatives in the country. Along with the North Country Dairy facility ('Facility'), Upstate Niagara operates manufacturing facilities in Rochester, Buffalo, West Seneca, Batavia, and Campbell.

Upstate Niagara acquired the Facility in North Lawrence in 2011. The customer refurbished the location and added new production lines. The Facility primarily produces cultured dairy products sold

mostly to retailers and food institutions in New York and the Northeast. All of the milk Upstate Niagara uses to make the products comes from local dairy farmers.

Employment at the Facility, as well as production, has grown over the years. The current employment level is 92, and the Facility currently produces 45 million pounds of yogurt annually.

The extension of the Allocation would enable Upstate Niagara to sustain this essential business at its current level of production and continue to invest in the facility allowing for future growth, which would continue to support jobs and the regional economy.

Upstate Niagara is in compliance with its existing contractual commitments for the Allocation.

Staff recommends that the 1,850 kW PP Allocation be extended for approximately ten years through June 30, 2030.

2. Contract Information

Staff intends to discuss the Proposed Contract with Upstate Niagara, and anticipates reaching agreement on a contract substantially similar to the Proposed Contract attached as Exhibit '5a iii-A.'

Under 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 specified by statute, 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 additional recommendations regarding the proposed contract.

Upon approval of the final proposed contract by the Authority, the Authority must 'report' the final proposed contract, along with its recommendations and the public hearing record, to the Governor and other elected officials. Upon approval by the Governor, the Authority is authorized to execute the contract.

The general form of the Proposed Contract is consistent with other hydropower contracts recently approved by the Trustees. Some pertinent provisions of the Proposed Contract include: (i) direct billing of all production charges (i.e., demand and energy) as well as all New York Independent System Operator, Inc. ('NYISO') charges, plus taxes or any other required assessments, as set forth in the Authority's PP Service Tariff ST 20; (ii) collection of a Zero Emission Credit ('ZEC') Charge and a Monthly Renewable Energy Credit ('REC') Charge to allow the Authority to recover costs it would incur relating to its purchase of ZECs and RECs attributable to the customer's load for the purpose of complying with the State Energy Plan and the State's Clean Energy Standard; (iii) provisions relating to financial security to reflect a direct billing arrangement between the Authority and hydropower customers; (iv) provisions authorizing data transfers and addressing other utility-driven requirements which are necessary for efficient program implementation; (v) employment, capital investment and power usage commitments by the customer with a compliance threshold of 90%; (vi) compliance provisions authorizing the Authority to reduce the allocation if the threshold is not met; (vii) annual job and capital investment reporting requirements; and (viii) provisions for the procurement of substitute energy in the event of hydropower curtailments.

The sale of the extended allocation would be subject to ST 20. Transmission and delivery service would be provided by the customer's local electric distribution utility.

The Authority is continuing to provide electric service to Upstate Niagara on an interim basis based on its current contract and Service Tariff No. ST-10 pending a decision on the customer's extension application and completion of the PAL §1009 process.

RECOMMENDATION

The Senior Vice President – Clean Energy Solutions recommends that the Trustees approve an extension of the 1,850 kW of Preservation Power Allocation to Upstate Niagara for a term through June 30, 2030 as described herein, and authorize a public hearing on the Proposed Contract attached as Exhibit '5a iii-A' for the sale of the Allocation of Preservation Power to Upstate Niagara Cooperative, Inc.

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

On motion made and seconded, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That an extension of the 1,850 kilowatt Preservation Power ("PP") allocation to Upstate Niagara Cooperative, Inc. for a term through June 30, 2030 as detailed in the foregoing Report 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 for the sale of PP to Upstate Niagara (the "Contract"), the current form of which is attached to the foregoing Report as Exhibit "5a iii-A," and subject to rates previously approved by the Trustees; 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 in connection with the proposed Contract, the Corporate Secretary be, and hereby is, authorized to arrange for the publication of a notice of public hearing in six newspapers throughout the State, in accordance with the provisions of PAL §1009; and be it further

RESOLVED, That the Chairman, the Vice Chair, the 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.

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

The President and Chief Executive Officer submitted the following report:

SUMMARY

The Trustees are requested to approve a one-year extension, from June 1, 2020 to May 31, 2021, 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 27, 2020, the Economic Development Power Allocation Board ('EDPAB') approved an extension, through May 31, 2021, 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.

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. EDPAB subsequently approved extensions to the Plan allowing the use of net revenues from the sale of EP through May 31, 2020.

At its May 21, 2013 meeting, the Trustees authorized an IIA to Pratt upon determining that Pratt had demonstrated it meets 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.

Pratt operates a paper mill, a corrugated box factory and a sorting facility in Staten Island within the 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.
- 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 address 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 one-year term for the IIA and an extension of the IIA for 4 subsequent one-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 \$5 million.

At the completion of each annual term, a compliance review and due diligence was performed on the terms and conditions of the Agreement prior to offering each subsequent annual term. Pratt was compliant for each annual term including employing an average of 281 persons at its facility during the seventh annual term ending May 31, 2020. A sixth term of the IIA was approved by the Trustees in October of 2018 and an extension of the Plan by EDPAB in December of 2018 following a request by Pratt to extend the IIA based on the continued need for electricity cost relief and other factors in its business case.

In March of 2019, Pratt requested an extension of the IIA based on the continued need for electricity cost relief and other factors in its business case. Upon review, staff determined that Pratt continued to meet the IIA requirements of being a manufacturing company at risk of closing or curtailing operations. The Authority and Pratt reached agreement on an offer to extend the IIA for one year, contingent upon necessary Trustee and EDPAB approvals. On March 26, 2019, the Trustees approved both extending the Plan for one year and providing up to \$1 million of IIA funds to Pratt from June 1, 2019 to May 31, 2020. At its September 24, 2019 meeting, EDPAB approved extension of the Plan to support an additional year of IIA funds to Pratt through May 31, 2020.

DISCUSSION

On February 24, 2020, Pratt submitted a request for an extension of the IIA beyond May 31, 2020. 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, 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.

FISCAL INFORMATION

IIAs 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, 2020 through May 31, 2021 to accommodate an additional year of IIA benefits will not have a significant impact on the Authority's finances.

RECOMMENDATION

The Vice President – Economic Development recommends that the Trustees approve a one-year extension, from June 1, 2020 to May 31, 2021, of the term of the Industrial Incentive Award previously awarded to Pratt Paper (NY), Inc. 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."

On motion made and seconded, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

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, 2021, as described in the foregoing report of the President and Chief Executive Officer, contingent upon the Economic Development Power Allocation Board's approval of the requested extension of the Economic Development Plan; and be it further

RESOLVED, That the Chairman, the Vice Chair, the 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.

v. Recommendations for Awards of Fund Benefits from the Western New York Economic Development Fund by the Western New York Power Proceeds Allocation Board

The President and Chief Executive Officer submitted the following report:

"SUMMARY"

The Trustees are requested to: (1) accept the recommendations of the Western New York Power Proceeds Allocation Board (the 'Allocation Board' or 'WNYPPAB') and make an award of Fund Benefits from the Western New York Economic Development Fund to the eligible applicant listed in Exhibits '5a v-A' and '5a v-A-1' in the amount indicated on the Exhibits for the reasons discussed below and in the Exhibits; and (2) authorize the other actions described herein with respect to such applicants and recommended awards.

BACKGROUND

1. Western New York Power Proceeds Allocation Act

On March 30, 2012, Governor Cuomo signed into law the Western New York Power Proceeds Allocation Act (the 'Act'). The Act provides for the creation, by the Authority, of the Western New York Economic Development Fund. The Fund consists of the aggregate excess of revenues received by the Authority from the sale of Expansion Power ('EP') and Replacement Power ('RP') produced at the Niagara Power Project that was sold in the wholesale energy market over what revenues would have been received had such energy been sold on a firm basis to an eligible EP or RP customer under the applicable tariff or contract.

Under the Act, an 'eligible applicant' is a private business, including a not-for-profit corporation. 'Eligible projects' is defined to mean 'economic development projects by eligible applicants that are physically located within the State of New York within a thirty-mile radius of the Niagara power project located in Lewiston, New York that will support the growth of business in the state and thereby lead to the creation or maintenance of jobs and tax revenues for the state and local governments.' Eligible projects include, for example, capital investments in buildings, equipment, and associated infrastructure owned by an eligible applicant for fund benefits; transportation projects under state or federally approved plans; the acquisition of land needed for infrastructure; research and development where the results of such research and development will directly benefit New York state; support for tourism and marketing and advertising efforts for western New York state tourism and business; and energy-related projects.

Eligible projects do not include public interest advertising or advocacy; lobbying; the support or opposition of any candidate for public office; the support or opposition to any public issue; legal fees related to litigation of any kind; expenses related to administrative proceedings before state or local agencies; or retail businesses as defined by the board, including without limitation, sports venues, gaming and gambling or entertainment-related establishments, residential properties, or places of overnight accommodation.

Fund Benefits have been provided to successful eligible applicants in the form of grants. Generally, Fund Benefits are disbursed as reimbursement for expenses incurred by an Eligible Applicant for an Eligible Project. Occasionally, Fund Benefits are disbursed in advance for proposed eligible expenditures to be incurred by the Eligible Applicant for an Eligible Project when NYPA determines this approach is appropriate for a project, NYPA has authorized the approach in advance, and proposed expenses can be appropriately documented.

At least 15 percent of Fund Benefits must be dedicated to eligible projects which are 'energy-related projects, programs and services,' which is 'energy efficiency projects and services, clean energy technology projects and services, and high performance and sustainable building programs and services,

and the construction, installation and/or operation of facilities or equipment done in connection with any such projects, programs or services.'

Allocations of Fund Benefits may only be made on the basis of moneys that have been deposited in the Fund. No award may encumber future funds that have been received but not deposited in the Fund.

2. Western New York Power Proceeds Allocation Board

Under the Act, the Allocation Board is charged with soliciting applications for Fund Benefits, reviewing applications, making eligibility determinations, and evaluating the merits of applications for Fund Benefits. The Allocation Board uses the criteria applicable to EP, RP, and PP, and for revitalization of industry as provided in Public Authorities Law §1005. Additionally, the Allocation Board is authorized to consider the extent to which an award of Fund Benefits is consistent with the strategies and priorities of the Regional Economic Development Council having responsibility for the region in which an eligible project is proposed. A copy of these criteria (collectively, 'Program Criteria'), adapted from the Allocation Board's 'Procedures for the Review of Applications for Fund Benefits,' is attached as Exhibit '5a v-B.'

The Allocation Board met on March 4, 2013 and, in accordance with the Act, adopted by-laws, operating procedures, guidelines related to the application, and a form of application. At that time, the Allocation Board defined 'retail business' to mean a business that is primarily used in making retail sales of goods or services to customers who personally visit such facilities to obtain goods or services.

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

3. Application Process

In an effort to provide for the efficient review of applications and disbursement of Fund Benefits, the Allocation Board established a schedule of dates through the end of 2020 on which the Allocation Board would meet to consider applications. At this time, applications are being accepted on a rolling basis. In addition, the application process was promoted through a media release and with assistance from state and local entities, including the Western New York and Finger Lakes Regional Economic Development Councils, the Empire State Development Corporation and other local and regional economic development organizations within the State. A webpage was created that is hosted on WWW.NYPA.GOV/WNYPPAB with application instructions, a link to the approved application form and other program details including a contact phone number and email address staffed by NYPA.

DISCUSSION

At its June 3, 2020 meeting, the Allocation Board considered an application from Change.AI, Inc. dba HiOperator ('HiOperator'), seeking \$250,000 in Fund Benefits to facilitate their business expansion.

As detailed in Exhibit '5a v-A-1,' the HiOperator application seeks Fund Benefits to help it relocate operations to the 27th floor of One Seneca Tower in Buffalo to accommodate business growth. The project involves a complete gutting of the current space, including demolition of the current office infrastructure; buildout of new office space; the purchase of computers and other IT equipment; and related expenditures. HiOperator would spend approximately \$1.35M on its project and has committed to create 131 new position over the next five years.

The Allocation Board's staff analyzed this application and made a recommendation to the Allocation Board based on eligibility requirements and Program Criteria. Copies of the recommendation memoranda provided to the Allocation Board for this project are attached as Exhibit '5a v-A-1.' The application has also been made available to the Trustees for review.

The Allocation Board has recommended that this applicant receive a Fund Benefit award in the amount indicated on Exhibits '5a v-A' and '5a v-A-1.' Given the nascent stage of the proposed projects, it was not possible to recommend the terms and conditions that would be applicable to this award and memorialized in an Award Contract between the Authority and a successful applicant.

If this applicant receives a Fund Benefit award, it is anticipated that Authority staff would negotiate final terms and conditions with the applicant after receipt of more detailed information concerning the project and proposed schedules. An Award Contract may include scheduled payments keyed to commitment milestones, such as employment creation and retention. In addition, staff anticipates that an Award Contract will contain provisions for periodic audits of the successful applicant for the purpose of determining contract and program compliance and, where appropriate, terms providing for the partial or complete recapture of Fund Benefits disbursements if an applicant fails to maintain agreed-upon commitments, relating to, among other things, employment levels and/or project element due dates.

RECOMMENDATION

The Senior Vice President – Clean Energy Solutions recommends that:

- (1) the Trustees accept the recommendations of the Western New York Power Proceeds Allocation Board and make an award of Fund Benefits to the applicant in the amount identified in Exhibits '5a v-A' and '5a v-A-1,' conditioned upon an agreement to be negotiated with the applicant on the final terms and conditions that would be applicable to the award to be contained in an Award Contract approved by the President and Chief Executive Officer, or his designee, and approved by the Executive Vice President and General Counsel, or his designee, as to form;
- (2) the Executive Vice President & Chief Commercial Officer, or such official's designee, be authorized to negotiate with the applicant concerning such final terms and conditions that will be applicable to the awards; and
- (3) the Executive Vice President & Chief Commercial Officer, or such official's designee, be authorized to execute on behalf of the Authority an Award Contract for the award listed on Exhibit '5a v-A' subject to the foregoing conditions.

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

On motion made and seconded, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

WHEREAS, The Western New York Power Proceeds Allocation Board ("Allocation Board") has recommended that the Authority make an award of Fund Benefits from the Western New York Economic Development Fund ("Fund") to the eligible applicant listed in Exhibit "5a v-A" in the amount indicated;

NOW THEREFORE BE IT RESOLVED, That the Authority hereby accepts the recommendation of the Allocation Board and authorizes an award of Fund Benefits to the applicant listed in Exhibits "5a v-A" and "5a v-A-1" in the amount indicated for the

reasons set forth in the foregoing report and the exhibits and other information referred to therein, conditioned upon an agreement between the Authority and the applicant on the final terms and conditions that would be applicable to the award and set forth in a written award contract ("Award Contract") between the Authority and the applicant, approved by the President and Chief Executive Officer, or his designee, and approved by the Executive Vice President and General Counsel or his designee, as to form; and be it further

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

RESOLVED, That the Executive Vice President & Chief Commercial Officer, or such official's designee, is authorized to execute on behalf of the Authority an Award Contract for the award listed on Exhibit "5a v-A" subject to the foregoing conditions; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the 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.

vi. **Award of Fund Benefits from the Northern New York Economic Development Fund Recommended by the Northern New York Power Proceeds Allocation Board**

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Trustees are requested to accept the recommendations of the Northern New York Power Proceeds Allocation Board (the ‘Allocation Board’) and make awards of Fund Benefits from the Northern New York Economic Development Fund to In-Law Brewing Company, LLC (‘ILBC’ or ‘Applicant’) and authorize the other actions described herein with respect to the applicant and recommended award. The Applicant’s project and the amount of the award being recommended is summarized in Exhibit ‘5a vi-A’ and discussed in further detail below and in Exhibit ‘5a vi-A-1.’

BACKGROUND

1. Northern New York Power Proceeds Allocation Act

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

Under the Act, an ‘eligible applicant’ is a private business, including a not-for-profit corporation that is a private business. ‘Eligible projects’ is defined to mean ‘economic development projects’ that are or would be physically located within St. Lawrence County that will support the growth of business in St. Lawrence County and thereby lead to the creation or maintenance of jobs and tax revenues for the state and local governments. ‘Eligible projects’ include, for example, capital investments in buildings, equipment, and associated infrastructure owned by an eligible applicant; transportation projects under state or federally approved plans; the acquisition of land needed for infrastructure; research and development where the results of such research and development will directly benefit New York State; support for tourism and marketing and advertising efforts for St. Lawrence County tourism and business; and energy-related projects.

Eligible projects do not include, and fund benefits may not be used for, public interest advertising or advocacy; lobbying; the support or opposition of any candidate for public office; the support or opposition to any public issue; legal fees related to litigation of any kind; expenses related to administrative proceedings before state or local agencies; or retail businesses as defined by the board, including without limitation, sports venues, gaming and gambling or entertainment-related establishments, residential properties, or places of overnight accommodation.

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

At least 15% percent of the Fund is dedicated to eligible projects which are ‘energy-related projects, programs and services,’ which are defined as ‘energy efficiency projects and services, clean energy technology projects and services, and high performance and sustainable building programs and

services, and the construction, installation and/or operation of facilities or equipment done in connection with any such projects, programs or services.'

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

2. Northern New York Power Proceeds Allocation Board

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

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

At its meeting on January 25, 2017, the Allocation Board, in accordance with the Act, adopted by-laws, operating procedures, guidelines related to the application, and a form of application. A copy of the relevant criteria (collectively, 'Program Criteria'), adapted from the Allocation Board's 'Procedures for the Review of Applications for Fund Benefits,' is attached as Exhibit '5a vi-B' to this report.

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

3. Application Process

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

DISCUSSION

At its June 10, 2020 meeting, the Allocation Board considered an application from ILBC seeking \$51,000 in Fund Benefits.

The Allocation Board's staff analyzed the application and made recommendations to the Allocation Board based on eligibility requirements and Program Criteria. The Program Criteria are described in Exhibit '5a vi-B.' A copy of the recommendation memoranda provided to the Allocation Board for ILBC is attached as Exhibit '5a vi-A-1.' The application has also been made available to the Trustees for review.

As detailed in Exhibit '5a vi-A-1,' the ILBC application seeks Fund Benefits to support building construction, the purchase of machinery and equipment and other items related to a business expansion.

The Applicant indicates that it would create 5 full time positions over 7 years and spend approximately \$335,000 on this project.

The Allocation Board has recommended that the Applicant receive a Fund Benefit award in the amount indicated on Exhibit '5a vi-A.' Given the nascent stage of the proposed project, it was not possible to make recommendations concerning the terms and conditions that would be applicable to the award and memorialized in an Award Contract between the Authority and the applicant.

If this Applicant receives a Fund Benefit award, it is anticipated that Authority staff would negotiate final terms and conditions with the applicant after receipt of more detailed information concerning the project and proposed schedules. Award Contracts may include scheduled payments keyed to commitment milestones, such as employment creation and retention. In addition, staff anticipates that Award Contracts will contain provisions for periodic audits of the successful applicants for the purpose of determining contract and program compliance and, where appropriate, terms providing for the partial or complete recapture of Fund Benefits disbursements if an applicant fails to maintain agreed-upon commitments.

RECOMMENDATION

The Senior Vice President – Clean Energy Solutions recommends that:

- (1) the Trustees accept the recommendation of the Allocation Board and make an award of Fund Benefits to In-Law Brewing Company, LLC in the amount recommended in Exhibits '5a vi-A' and '5a vi-A-1,' conditioned upon an agreement to be negotiated with the applicant on the final terms and conditions that would be applicable to the award to be contained in the Award Contract approved by the President and Chief Executive Officer, or his designee, and approved by the Executive Vice President and General Counsel, or his designee, as to form;
- (2) the Executive Vice President & Chief Commercial Officer, or such official's designee, be authorized to negotiate with the Applicant concerning such final terms and conditions that will be applicable to the award; and
- (3) the Executive Vice President & Chief Commercial Officer, or such official's designee, be authorized to execute on behalf of the Authority an Award Contract for the award listed on Exhibits '5a vi-A' and '5a vi-A-1' subject to the foregoing conditions.

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

On motion made and seconded, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

WHEREAS, The Northern New York Power Proceeds Allocation Board ("Allocation Board") has recommended that the Authority make an award of Fund Benefits from the Northern New York Economic Development Fund ("Fund") to the eligible applicant listed in Exhibit "5a vi-A" in the amount indicated in Exhibit "5a vi-A";

NOW THEREFORE BE IT RESOLVED, That the Authority hereby accepts the recommendation of the Allocation Board and authorizes an award of Fund Benefits to the applicant listed in Exhibits "5a vi-A" and "5a vi-A-1" in the amount indicated for the reasons set forth in the foregoing report and the exhibit and other information referred to therein, conditioned upon an agreement

between the Authority and the applicant on the final terms and conditions that would be applicable to the award and set forth in a written award contract ("Award Contract") between the Authority and each applicant, approved by the President and Chief Executive Officer, or his designee, and approved by the Executive Vice President and General Counsel or his designee, as to form; and be it further

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

RESOLVED, That the Executive Vice President & Chief Commercial Officer, or such official's designee, is authorized to execute on behalf of the Authority an Award Contract for the award listed on Exhibit "5a vi-A" subject to the foregoing conditions; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the 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.

b. Procurement (Services) Contracts

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

The President and Chief Executive Officer submitted the following report:

SUMMARY

The Trustees are requested to approve the award and funding of the multiyear procurement (services) contracts listed in Exhibit '5b i-A,' as well as the continuation and/or funding of the procurement (services) and other contracts listed in Exhibit '5b i-B,' in support of projects and programs for the Authority'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 Guidelines for Procurement Contracts require the Trustees' approval for procurement contracts involving services to be rendered for a period in excess of one year.

The Authority's current Expenditure Authorization Procedures ('EAPs') require the Trustees' approval for the award of non-personal services, construction, equipment purchase or non-procurement contracts in excess of \$6 million, as well as personal services contracts in excess of \$2 million if low bidder or best value, or \$1 million if sole-source, single-source or other non-competitive awards.

The Authority's current EAPs also require the Trustees' 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 are requested to approve the award and funding of the multiyear procurement (services) contracts listed in Exhibit '5b i-A,' where the EAPs require approval based upon contract value or the terms of the contracts will be more than one year. Except as noted, all of these contracts contain provisions allowing the Authority to terminate the services for the Authority'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 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 can be negotiated for these long-term contracts. Since these services are typically required on a continuous basis, it is more efficient to award long-term contracts than to rebid these services annually.

Extensions

Although the firms identified in Exhibit '5b i-B' have provided effective services, the issues or projects requiring these services have not been resolved or completed and the need exists for continuing these contracts. The Trustees' approval is required 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 to terminate the services at the Authority's convenience, without liability other than paying for acceptable services rendered to the effective date of termination. These contract extensions do not obligate the Authority to a specific level of personnel resources or expenditures.

Extension of the contracts identified in Exhibit '5b i-B' is requested for one or more of the following reasons: (1) additional time is required to complete the current contractual work scope or additional services related to the original work scope; (2) to accommodate an Authority 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 needs to continue until a permanent system is put in place.

The following is a detailed summary of each recommended contract award and extension.

Contract Awards in Support of Business Units/Departments and Facilities:

Business Services – Corporate Finance

On March 31, 2020, the Trustees approved personal services contracts to Advanced Automation Corporation ('AAC'), BNP Paribas Securities Corp. ('BNP'), CCA Capital LLC ('CCA'), Credit Agricole Corporate and Investment Bank ('CAC'), Ernst & Young LLP ('EY'), J.P. Morgan Securities LLC ('JPM'), Navigant Consulting, Inc. ('Navigant') and Rockfleet Financial Services, Inc. ('RFS') for Financial Advisory services for Energy Projects consulting services. **CohnReznick Capital Market Securities LLC ('CohnReznick') (Q19-6713RM)** was also selected for recommendation of an award but was inadvertently left off the award recommendation memo. Bid documents were developed by staff and were accessible through the NYPA.gov site. The Request for Quotations was advertised on the New York State *Contract Reporter* ('NYSCR') website and posted on the Procurement page of the Authority's website. Eighteen proposals were on NYSCR and NYPA.gov. and were evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of a contract to CohnReznick which is technically and commercially qualified and meets the bid requirements on the basis of 'best value,' which optimizes quality, cost and efficiency among responsive and responsible offerors. At the March meeting, the Trustees approved the contracts five-year term and the \$2 million aggregate amount. No additional funding is requested.

Human Resources & Administration – HR & Organizational Development

The proposed personal services contracts with **Career Concepts, Inc. dba CCI Consulting ('CCI')**, **Impact Learning & Development, Inc. ('ILD')** and **Ignition Coaching LLC ('Ignition') (Q20-6869SS)** would provide Professional Coaching Services. Bid documents were developed by staff and were accessible through the NYPA.gov site. The Request for Quotations was advertised on the New York State *Contract Reporter* website and posted on the Procurement page of the Authority's website. Twenty-two firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. Ten proposals were received electronically via Ariba and were evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of contracts to CCI, ILD and Ignition which are technically and commercially qualified and meet the bid requirements on the basis of 'best value,' which optimizes quality, cost and efficiency among responsive and responsible offerors. These contracts are for an intended term of three years with the option for a two-year renewal, subject to the

Trustees' approval, which is hereby requested. Approval is also requested for the aggregate amount expected to be expended for the term of the contract, \$625,000.

Human Resources & Administration – Total Rewards

Due to the need to meet and maintain the Authority's continuity of services, the proposed non-personal services contract with **North American Van Lines, Inc. ('NAVL') (4500321367)** which would provide relocation moving services on an 'as needed' basis became effective July 1, 2020, with an initial interim award amount of \$25,000, subject to the Trustee's approval, in accordance with the Authority's Guidelines for Procurement Contracts and EAP's. The proposed non-personal services contract with **Arnoff Moving & Storage, Inc. ('AMS') (Q20-6911JW)** would provide relocation moving services and this contract will start on or about July 28, 2020. The Authority offers relocation benefits to eligible newly hired employees and transferring employees and one component is the movement of household goods. Bid documents were developed by staff and were accessible through the NYPA.gov site. The Request for Quotations was advertised on the New York State *Contract Reporter* website and posted on the Procurement page of the Authority's website. Seven 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, as further set forth in the Award Recommendation documents. Staff recommends the award of a contract to NAVL and AMS as they are technically and commercially qualified and meet the bid requirements on the basis of 'best value,' which optimizes quality, cost and efficiency among responsive and responsible offerors. The contracts are for an intended term of five years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the aggregate amount expected to be expended for the term of the contract, \$350,000.

Human Resources & Administration – Total Rewards

The proposed non-personal services contract with **RDG + Partners CPAs, PLLC ('RDG') (Q20-6915JW)** would perform annual auditing services of the assets for the Authority's Employees' Savings Plan ('401k Plan') and the Deferred Compensation Plan ('457 Plan') to satisfy Section 9005.1 of the rules and regulations of the New York State Deferred Compensation Board auditing obligations. Bid documents were developed by staff and were accessible through the NYPA.gov site. The Request for Quotations was advertised on the New York State *Contract Reporter* website and posted on the Procurement page of the Authority's website. Eleven 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, as further set forth in the Award Recommendation documents. Staff recommends the award of a contract to RDG which is technically and commercially qualified and meets the bid requirements on the basis of 'best value,' which optimizes quality, cost and efficiency among responsive and responsible offerors. The contract is for an intended term of five years, beginning January 1, 2021 and ending on December 31, 2025 (Plan years 2021 thru 2025), subject to the Trustees' approval, which is hereby requested. Approval is also requested for the amount expected to be expended for the term of the contract, \$125,000.

Legal Affairs – Environmental Justice & Sustainability

The proposed personal services contracts with **AMRO United Corporation dba AMRO Forestry ('AMRO')** and **Applied Ecological Services, Inc. ('AES') (Q20-6895CC)** would provide landscaping services. The Ecosystems and Biodiversity section of the Sustainability plan examines how the Authority's lands are managed and identifies ways to protect and restore natural ecosystems and increase resiliency and carbon sequestration on land owned or managed by the Authority. These strategies include modified mowing schedules, the planting of pollinator gardens and meadows, forestry management including afforestation and reforestation, and the development of educational material on the importance of wildlife habitat conservation at visitor centers. Bid documents were developed by staff and were accessible through the NYPA.gov site. The Request for Quotations was advertised on the New York State *Contract Reporter* website and posted on the Procurement page of the Authority's website. Thirty firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. Two proposals were received electronically via Ariba and were evaluated, as further set forth in the Award

Recommendation documents. Staff recommends the award of contracts to AMRO and AES which are technically and commercially qualified and meet the bid requirements on the basis of 'best value,' which optimizes quality, cost and efficiency among responsive and responsible offerors. These contracts are for an intended term of five years, starting on or about January 1, 2021, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the aggregate amount expected to be expended for the term of the contract, \$800,000.

Legal Affairs – Environmental Justice & Sustainability

The proposed personal services contracts with **AMRO United Corporation dba AMRO Forestry ('AMRO'), Applied Ecological Services, Inc. ('AES'), CHA Consulting, Inc. ('CHA'), Hadley Exhibits, Inc. ('Hadley')** and **Pollinator Partnership ('Pollinator') (Q20-6896CC)** would provide Land Management Assessment and Education services. The Ecosystems and Biodiversity section of the Sustainability plan examines how the Authority's lands are managed and identifies ways to protect and restore natural ecosystems and increase resiliency and carbon sequestration on land owned or managed by the Authority. These strategies include modified mowing schedules, the planting of pollinator gardens and meadows, forestry management including afforestation and reforestation, and the development of educational material on the importance of wildlife habitat conservation at visitor centers. Bid documents were developed by staff and were accessible through the NYPA.gov site. The Request for Quotations was advertised on the New York State *Contract Reporter* website and posted on the Procurement page of the Authority's website. Twenty-five firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. Nine proposals were received electronically via Ariba and were evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of contracts to AMRO, AES, CHA, Hadley and Pollinator which are technically and commercially qualified and meet the bid requirements on the basis of 'best value,' which optimizes quality, cost and efficiency among responsive and responsible offerors. These contracts are for an intended term of five years, starting on or about January 1, 2021, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the aggregate amount expected to be expended for the term of the contract, \$800,000.

Utility Operations – Facility Management

The proposed non-personal services contract with **Kinsley Group, Inc. dba Kinsley Power Systems ('KPS') (Q20-6926JM)** would provide Generator / Load Bank Maintenance, Testing and Inspection services for the Centroplex Building at the White Plains Office. Bid documents were developed by staff and were accessible through the NYPA.gov site. The Request for Quotations was advertised on the New York State *Contract Reporter* website and posted on the Procurement page of the Authority's website. One firm/entity was listed as having been invited to, or requested to participate in, the Ariba event. One proposal was received electronically via Ariba and was evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of a contract to KPS which is technically and commercially qualified and meets the bid requirements on the basis of 'best value,' which optimizes quality, cost and efficiency among responsive and responsible offerors. The contract is for an intended term of five years, beginning on or about August 1, 2020, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the amount expected to be expended for the term of the contract, \$500,000.

Utility Operations – General Maintenance

Due to the need to meet and maintain the Authority's project schedule, the proposed construction, single-source contract with **Niagara University ('NU') (4500320981)** for grounds maintenance and landscaping at the Authority's Niagara Power Project became effective June 1, 2020, with an initial interim award amount of \$88,000, is being requested to reimburse NU for ongoing maintenance, subject to the Trustee's approval, in accordance with the Authority's Guidelines for Procurement Contracts and EAP's. The Authority's Niagara Power Project campus and NU's campus are immediately adjacent to, and interconnected with, one another and share the use of certain roadways and appurtenant properties. The Authority and NU have historically performed their own grounds maintenance and landscaping on their respective properties. Both the Authority and NU have determined

that since the properties are interconnected, it would be more efficient if such services were consolidated. A reassessment of the agreement with the Authority and NU was conducted in May 2020, and it was decided to continue the relationship with NU for continued services valued at \$88,000 for the first year, \$90,500 for year two, \$93,000 for year three, \$96,000 for year four and \$99,000 for year five. The contract is for an intended term of five years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the amount expected to be expended for the term of the contract, \$466,500.

Utility Operations – Mechanical Engineering

The proposed non-personal services contracts with **Konecranes, Inc. ('Konecranes')** and **Pollock Research and Design, Inc. dba Simmers Crane Design & Services ('SCDS') (Q20-6916BS)** would provide On-Call Crane and Hoist Maintenance and Repair services for all the Authority's and Canal's facilities. The Authority and Canals own and operate numerous overhead cranes and hoists at their plants/facilities. The Authority operates total of 111 cranes/hoists including 30 at Niagara, 20 at St. Lawrence, 8 at Blenheim-Gilboa, 6 at Clark Energy Center, and 47 at SENY facilities. Canals operates 128 cranes/hoists at various Locks and other facilities. Both Konecranes and SCDS possess an understanding of Occupational Safety and Health Administration ('OSHA') and the Authority's safety regulations. Bid documents were developed by staff and were accessible through the NYPA.gov site. The Request for Quotations was advertised on the New York State *Contract Reporter* website and posted on the Procurement page of the Authority's website. Seventeen 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, as further set forth in the Award Recommendation documents. Staff recommends the award of contracts to Konecranes and SCDS which are technically and commercially qualified and meet the bid requirements on the basis of 'best value,' which optimizes quality, cost and efficiency among responsive and responsible offerors. These contracts are for an intended term of five years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the aggregate amount expected to be expended for the term of the contract, \$9.5 million.

Utility Operations – Project Management

The proposed construction services contracts with **Composite Technology & Infrastructure LLC ('CTI')** and **NRC NY Environmental Services, Inc. ('NRC') (Q20-6944AP)** would provide for the abatement and painting of the Generator Rotor Spiders for the remaining thirteen units at the St. Lawrence-FDR Power Project. The sequence of work, which includes the abatement and painting of the rotor, unit disassembly, crack repair, welding, reassembly, and testing, will be performed by the Authority's staff. The next unit outage (Unit 31) is presently planned to commence in September 2020, followed by an average of one unit per year until all remaining units are completed. Bid documents were developed by staff and were accessible through the NYPA.gov site. The Request for Quotations was advertised on the New York State *Contract Reporter* website and posted on the Procurement page of the Authority's website. Six firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. Two proposals were received electronically via Ariba and were evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of contracts to CTI and NRC which are technically and commercially qualified and meet the bid requirements on the basis of 'best value,' which optimizes quality, cost and efficiency among responsive and responsible offerors. These contracts are for an intended term of fifteen years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the aggregate amount expected to be expended for the term of the contract, \$5 million.

Utility Operations – Project Management

The proposed construction services contracts with **Bolttech Mannings, Inc. ('Bolttech')** and **Nowak Industrial LLC ('Nowak') (Q20-6945AP)** would provide for the pre and post weld heat treatment of the Generator Rotor Spiders for the remaining thirteen units at the St. Lawrence-FDR Power Project. The sequence of work which includes the pre and post weld heat treatment for stress relieving the weld repairs, unit disassembly, crack repair, welding, reassembly, and testing will be performed by the

Authority's staff. The next unit outage (Unit 31) is presently planned to commence in September 2020, followed by an average of one unit per year until all remaining units are completed. Bid documents were developed by staff and were accessible through the NYPA.gov site. The Request for Quotations was advertised on the New York State *Contract Reporter* website and posted on the Procurement page of the Authority's website. Four firms/entities were listed as having been invited to, or requested to participate in, the Ariba event. Two proposals were received electronically via Ariba and were evaluated, as further set forth in the Award Recommendation documents. Staff recommends the award of contracts to Bolttech and Nowak which are technically and commercially qualified and meet the bid requirements on the basis of 'best value,' which optimizes quality, cost and efficiency among responsive and responsible offerors. These contracts are for an intended term of fifteen years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the aggregate amount expected to be expended for the term of the contract, \$4 million.

Utility Operations – Project Management

The proposed personal services contracts with **DaVinciSKY Engineering and Management ('DaVinciSKY')** and **Miller Aerospace Company LLC dba MAC Air ('MAC') (Q20-6917KK)** would provide Helicopter Expert Support services. The Authority is in the process of undertaking several strategic initiatives to bolster its electric delivery infrastructure through the implementation of major programs including the Communication Backbone Program and the Moses-Adirondack Smart Path Reliability Project ('Smart Path'). In support of these initiatives, and in support of existing operations which employ helicopter operations for transportation and maintenance, the Authority is seeking Helicopter Expert support services by a Subject Matter Expert ('SME') to ensure that helicopter operations are conducted by the safest, and most effective means possible. The SMEs, will be responsible for professional services including, but not limited to, reviewing documentation, monitoring and reporting of helicopter operations, and inspecting vehicles and equipment to ensure compliance with all applicable laws and regulations including Federal Aviation Administration ('FAA'), National Fire Protection Association ('NFPA'), Department of Transportation ('DOT'), and Occupational Safety and Health Administration ('OSHA'). Bid documents were developed by staff and were accessible through the NYPA.gov site. The Request for Quotations was advertised on the New York State *Contract Reporter* website and posted on the Procurement page of the Authority's website. Four 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, as further set forth in the Award Recommendation documents. Staff recommends the award of contracts to DaVinciSKY and MAC which are technically and commercially qualified and meet the bid requirements on the basis of 'best value,' which optimizes quality, cost and efficiency among responsive and responsible offerors. The contracts are for an intended term of five years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the aggregate amount expected to be expended for the term of the contract, \$9 million.

Extensions and/or Additional Funding Requests:

Human Resources & Administration – HR & Organizational Development

On May 27, 2019, the Authority issued one-year, sole-source personal services contract to **SAP Public Services, Inc. ('SAP') (4500309449)** in the amount of \$108,480 to provide implementation of the SuccessFactors Workforce Analytics ('WFA') Cloud Application. The services performed by SAP are required to implement four WFA metric packs within the Mosaic (SuccessFactors) suite of products. The Authority's goal, with the addition of WFA metric packs, is to enhance the software's capability by adding new advanced functionality containing human capital metrics reporting for the following: WFA Recruiting Management, WFA Compensation Planning, WFA Talent Flow Analytics and WFA Performance Management. Due to the COVID-19 pandemic, access to the WPO building was restricted which added additional delays to the project. This contract extension is requested to assist in the implementation of the Mosaic (SAP SuccessFactors) Recruiting and Onboarding Cloud Applications. Staff requests the Trustees' approval for the extension of the SAP contract for an additional one-year term, including interim approval for the period May 26, 2020 thru July 28, 2020, with an updated end date of July 21, 2021. No additional funding is being requested at this time.

Information Technology – Cyber Security

The Authority solicited proposals for Technology Co-Sourcing Services under RFP inquiry **Q17-6135RM**. Its stated purpose was to solicit companies to support enablement of required automation and efficiencies for business projects requested across various functional areas, including, but not limited to, Cyber Security; Maximo; SharePoint; SAP; Infrastructure; Data Analytics; Enterprise and Solution Architecture; Project and Portfolio Management. On May 2, 2017, the Authority issued five-year personal services contracts to **Cognizant Technology Solutions US Corporation ('Cognizant')**, **Deloitte Consulting LLP ('Deloitte')** and **Ernst & Young LLP ('EY') (Q17-6135RM)** in the amount of \$25 million to provide consulting services. On March 2, 2020, the aggregate value was increased by \$6 million which increased the total aggregate amount to \$31 million. The additional funding was to support ongoing required services while the Authority goes out to bid for these services in 2020. Staff requests the Trustees' approval for additional funding. To date, \$30.75 million has been released, and it is recommended to increase the aggregate funding in the amount of \$8 million which will increase the total aggregate amount to \$39 million. Staff envisions that the multitude of benefits that the Authority continues to see from these contracts warrants an additional increase in the aggregate funding amount to support new and ongoing initiatives needed to support the Authority's Digital investments.

Strategic Planning – Strategy & Corporate Development

A Request for Qualification, ('RFQ') No. Q19-6798JT, was issued on September 10, 2019 in the *NYS Contract Reporter* to solicit information from qualified Suppliers to enable the Authority to evaluate the capabilities and capacity of each Supplier to support Camping on the NYS Canals Project. Three proposals were received and, as a result of the RFQ, all three Suppliers were deemed qualified. A Request for Proposal ('RFP') for the Project with respect to the activities stated above was issued on December 5, 2019 to enable the Corporation to evaluate the capabilities and capacity of each Supplier. On January 10, 2020, two suppliers submitted proposals in response to the RFP to support the Authority in the development of the Reimagine the Canals Pilot Project. On February 28, 2020, approval was requested to issue a zero-dollar contract to **Kent Johnson dba Camp Rockaway LLC ('Rockaway') (4500318463)** for the pilot project, Camping on the NY State Canals, with a completion date of September 7, 2020 (Labor Day). Rockaway's proposal demonstrated three (3) years' experience and included a robust marketing strategy, as well as the ability to operate the site 7 days per week.

Utility Operations – Project Management

On September 28, 2018, the Authority issued a one-year personal services contract to **Bergmann Associates, Architects, Engineers, Landscape Architects & Surveyors D.P.C ('Bergmann') (4500301879)** in the amount of \$411,100 to conduct an assessment for the replacement of three roadway bridges located within the Project limits of the Robert Moses Niagara Power Plant ('RMNPP') in Lewiston, NY. Bergmann's assessment uncovered possibilities of re-purposing two of the three roadways, and the project team has deemed this option worth exploring as it has the potential to significantly reduce the cost of the project. A Change Order was approved by the Trustees at the September 25, 2019 meeting, for an additional \$300,000 and for a one-year contract extension in order to conduct an additional feasibility study. Due to COVID-19, work was stopped, and the project was unable to be completed in the contracted time frame. Staff requests the Trustees' approval for the extension of the Bergmann contract for one-year, from September 27, 2020 through September 27, 2021, for the Robert Moses Superstructure Bridge Replacement evaluation project. No additional funding is required.

Utility Operations – Project Management

On September 1, 2019, the Authority issued a one-year personal services contract to **Hatch Associates Consultants, Inc. ('Hatch') (4500313097)** in the amount of \$479,000 to analyze and describe the AGC/hydro algorithms/processes and establish metrics; develop the AGC/hydro model; analyze the algorithms and recommend algorithm modifications; develop and deploy recommended optimization software and support modifications to the existing SCADA/AGC software by the Authority or other third parties. Due to COVID-19 work was stopped and the project was unable to be completed in

the contracted time frame. Staff requests the Trustees' approval for the extension of the Hatch contract for one-year, from August 31, 2020 through August 31, 2021, for the Niagara AGC Improvements and Flow control program. No additional funding is required.

FISCAL INFORMATION

Funds required to support contract services for various Business Units/Departments and Facilities have been included in the 2019 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 – Chief Information Officer; the Senior Vice President – Strategy and Corporate Development; the Vice President – Engineering; the Vice President – Project Management; the Vice President – Total Rewards & HRIS; the Vice President – HR & Organizational Development; the Vice President – Environmental Justice / Sustainability; the Regional Manager of NIA; and the Treasurer recommend that the Trustees approve the award of multiyear procurement (services) and other contracts to the companies listed in Exhibit '5b i-A' and the extension and/or funding of the procurement (services) contracts listed in Exhibit '5b i-B,' for the purposes and in the amounts discussed within the item and/or listed in the respective exhibits.

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

On motion made and seconded, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, the award and funding of the multiyear procurement services contracts set forth in Exhibit "5b i-A," attached hereto, are hereby approved for the period of time indicated, in the amounts and for the purposes listed therein, as recommended in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, the contracts listed in Exhibit "5b i-B," attached hereto, are hereby approved and extended for the period of time indicated, in the amounts and for the purposes listed therein, as recommended in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the 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.

c. Utility Operations

i. Long-term Operations Agreement for the Discover Niagara Shuttle Service

The President and Chief Executive Officer submitted the following report:

SUMMARY

The Trustees are requested to approve a two-year operations agreement and funding in the amount of \$500,000 with Niagara Falls National Heritage Area, Inc. ('NFNHAI') to operate the Discover Niagara Shuttle Service.

Following a successful four-year program, the shuttle service is connecting visitors to multiple destinations along the Niagara River/Niagara Gorge corridor, including, but not limited to, the Authority's Power Vista, Fort Niagara, Village of Lewiston, Niagara University, Devil's Hole State Park, Whirlpool State Park, Niagara Falls Train Station/Underground Railroad Interpretive Center, Aquarium of Niagara, and Niagara Falls State Park. With new bed tax revenue, the service is now expanding to other areas in the county including Canal attractions. This two-year agreement will ensure continued operation of this shuttle service.

BACKGROUND

In accordance with the Authority's Guidelines for Procurement Contracts and Expenditure Authorization Procedures, this non-personal services contract is subject to the Trustees' approval.

Niagara Falls is a globally-recognized tourist destination, attracting millions of visitors each year, and in addition to the waterfalls, includes a number of sites related to recreational, historic, cultural, educational, and technological resources along the Niagara River/Niagara Gorge corridor from Youngstown, NY to Niagara Falls, NY.

A number of studies have noted the importance of a reliable and efficient tourist-oriented people mover system to enable visitors to best explore the full pallet of resources along the Niagara River/Niagara Gorge corridor, most recently in the approved management plan for the federally-designated Niagara Falls National Heritage Area.

Land use along the Niagara River/Niagara Gorge corridor does not include any dense concentrations of population or employment centers that would warrant conventional daily transit service, therefore significant areas in the Niagara River/Niagara Gorge corridor are not serviced by public bus routes -- particularly during summer weekend periods when tourism demands peak -- and conventional funding criteria for expanding public bus routes does not support the addition of a tourist-oriented people mover system.

The Authority completed a major expansion and upgrade of the visitor and interpretative functions of its Power Vista facility at the Niagara Power Project in Lewiston, NY. The expansion and upgrade contemplated a shuttle service connection to and from Niagara Falls State Park, the most-visited individual attraction along the Niagara River/Niagara Gorge corridor.

The Trustees were requested and approved \$500,000 in funding for a two-year shuttle service pilot program in 2015 and 2017. NFNHAI, New York State Parks and the Authority are now working with various public, institutional, and private attraction and hospitality partners in defining an economically sustainable, long-term business model for a high-quality, affordable shuttle service along the Niagara River/Niagara Gorge corridor that will enhance the visitors' experience by connecting visitors to heritage site destinations, extending the length of stay and increasing heritage tourism. Continued operational funding from the Authority is critical to the effort.

DISCUSSION

In June of 2016, the new Power Vista visitors center opened to rave reviews and attendance increased as the Niagara Visitors Center became one of the 'must do' tourist attractions in the region.

A 2017 economic impact study by Tripp Umbach commissioned by NFNHAI found that the Discover Niagara Shuttle generated \$35 million in economic impact to Niagara County in 2016 and is projected to generate \$70.2 million in economic impact to Niagara County in 2020. A 2017 ridership study showed that 15% of the visitors riding, decided to extend their stay in Niagara County because of the shuttle and visit the attractions. Of the shuttle riders surveyed, 36.5% said they used the shuttle to visit the Power Vista.

FISCAL INFORMATION

Payment associated with this contract will be made from the Authority's Operating Fund. NYPA will pay the NFNHAI \$250,000 per year in two installments. The total amount for the agreement is \$500,000.00.

RECOMMENDATION

The Senior Vice President – Public and Regulatory Affairs and the Vice President – Strategic Supply Management, recommend that the Trustees approve the contract with Niagara Falls National Heritage Area, Inc. to operate the Discover Niagara Shuttle Service.

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

On motion made and seconded, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That pursuant to the Authority's 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 foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the Vice Chair, the 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 Executive Vice President and General Counsel.

d. Canal Corporation

i. Procurement (Services) Contract – Construction of the Canalway Trail Mohawk to Ilion – Contract Award

The President and Chief Executive Officer submitted the following report:

SUMMARY

The Board of Directors ('Board') is requested to approve the award of a construction services contract related to Inquiry No. K20-10271915NF to Carver Construction, Inc. ('Carver') for the construction of the Canalway Trail in the Village of Mohawk and the Village of Ilion, Herkimer County, New York, in the amount of \$6,304,150.00. Construction is expected to conclude by the contract completion date of June 30, 2021.

Due to the need to meet and maintain the Canal Corporation's project schedule, the proposed construction contract (**4400005051**) with Carver became effective on July 1, 2020, for the initial interim award amount of \$1,250,000.00, subject to the Board's approval as soon as practicable, in accordance with the Canal Corporation's Guidelines for Procurement Contracts and Expenditure Authorization Procedures ('EAPs'). The interim award allows the contractor to meet and maintain the project schedule as required by the Empire State Trails Initiative prior to the deadline date of July 28, 2020.

In accordance with the Canal Corporation's Procurement Guidelines and EAPs, the Board's approval is required when the award of service contracts and/or Purchase Order Releases exceeds a one-year term, or the value of such contracts exceeds \$6,000,000.

BACKGROUND

This project will construct a 1.87-mile-long segment of Erie Canalway Trail linking the Village of Mohawk from East Main Street (Route 28) to the Ilion Marina in the Village of Ilion and will complete a missing segment of the Empire State Trail. The project is within the limits of the Village of Mohawk and the Village of Ilion both located in Herkimer County. The canal system, as a whole, is a listed National Historic Landmark. This project enhances and expands the prominence of the system, considering recreational and economic impact on the Empire State as the original historic Erie Canal had on previous generations.

Construction activities will include installing temporary erosion and sediment control devices, work zone traffic control, clearing brush and removing trees and stumps, excavating and grading for a 10-foot wide asphalt shared use path, constructing pedestrian and bridge railing systems, constructing geosynthetic reinforced soil system slopes ('GRSS'), fill type retaining walls, drainage swales and other drainage system improvements, constructing one pedestrian bridge, installing trail related signage, installing benches and landscaping items.

DISCUSSION

On May 22, 2020, RFP No. K20-10271915NF was issued electronically via Ariba among four (4) bidders for the Construction of the Canalway Trail from Mohawk to Ilion. In response to this competitive solicitation, two (2) proposals ('bids') were received and opened on June 10, 2020. The bids were reviewed by an Evaluation Committee consisting of Canal Corporation's staff from Design, Construction and Procurement and New York Power Authority's Strategic Supply Management staff.

FISCAL INFORMATION

All associated expenditures will be paid from the Canal Corporation's Capital or Operating fund, as appropriate.

RECOMMENDATION

The Director of Design recommends that, based on the evaluation, the construction services contract related to Inquiry No. K20-10271915NF for Construction of the Canalway Trail from Mohawk to Ilion be awarded to Carver Construction, Inc. of Altamont, New York, effective July 1, 2020, in the amount of \$6,304,150.00 for a term of twelve months with an interim approval in the amount of \$1,250,000 to meet and maintain the project schedule.

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

On motion made and seconded, the following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That pursuant to the Canal Corporation’s Procurement Guidelines and Expenditure Authorization Procedures, approval is hereby granted to award Contract #4400005051 (in association with Inquiry No. K20-10271915NF), with the start date of July 1, 2020, completion date of June 30, 2020, and a total award value of \$6,304,150.00 for the Construction of the Canalway Trail, Mohawk to Ilion, to Carver Construction, Inc. of Altamont, New York, including interim funding in the amount of \$1,250,000.00, as recommended in the foregoing report of the President and Chief Executive Officer;

<u>Contractor</u>	<u>Location</u>	<u>Contract Award</u>
Carver Construction, Inc.	Altamont, NY	<u>\$6,304,150.00</u>

Contract: 4400005051
Inquiry: K20-10271915NF

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer, and all other officers of the Canal Corporation are, and each of them hereby is, authorized on behalf of the 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 General Counsel.

e. Governance Matters

- i. **Minutes of the Regular Joint Meeting of the
New York Power Authority's Trustees and Canal
Corporation's Board of Directors held on May 19, 2020**

On motion made and seconded, the Minutes of the Regular Joint Meeting of the New York Power Authority's Trustees and Canal Corporation's Board of Directors held on May 19, 2020 was unanimously adopted.

6. Next Meeting

The regular joint meeting of the New York Power Authority's Trustees and the Canal Corporation's Board of Directors will be held on September 23, 2020, unless otherwise designated by the Chairman with the concurrence of the Trustees.

Closing

On motion made by member Michael Balboni and seconded by member Dennis Trainor, the meeting was adjourned at approximately 12:17 p.m.

Karen Delince

Karen Delince
Corporate Secretary

POWER AUTHORITY OF THE STATE OF NEW YORK
AND
NEW YORK STATE CANAL CORPORATION

EXHIBITS

For

July 28, 2020

Joint Regular

Meeting Minutes



**NY Power
Authority**

**Canal
Corporation**

President and Chief Executive Officer's Report

Gil Quiniones

President & Chief Executive Officer

July 28, 2020

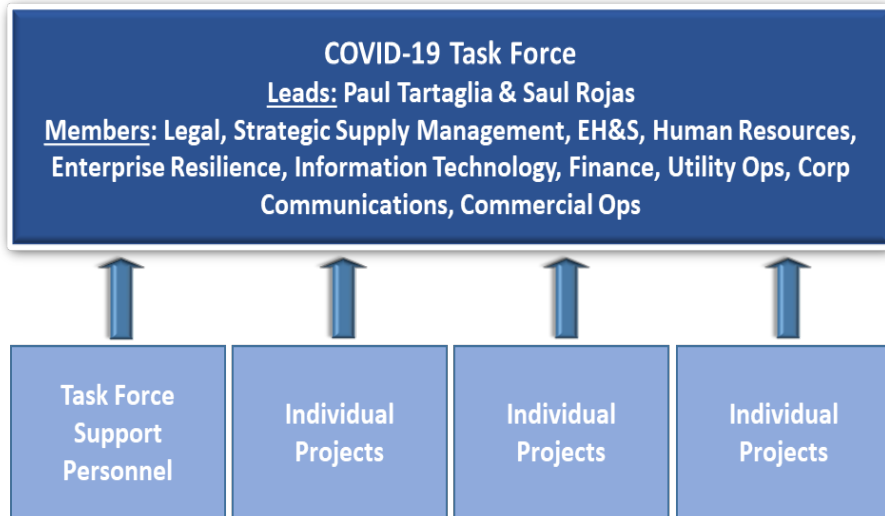
COVID-19 Update



**NY Power
Authority**

**Canal
Corporation**

COVID-19 Update -Task Force



Transitioned from Incident Command Structure (ICS) to Task Force model

- Coordinating and monitoring all on-going COVID-19 response activities
- Removing obstacles for program managers
- Providing updates and transparent communications to leadership & employees

Note that the ICS structure will be re-established as needed.

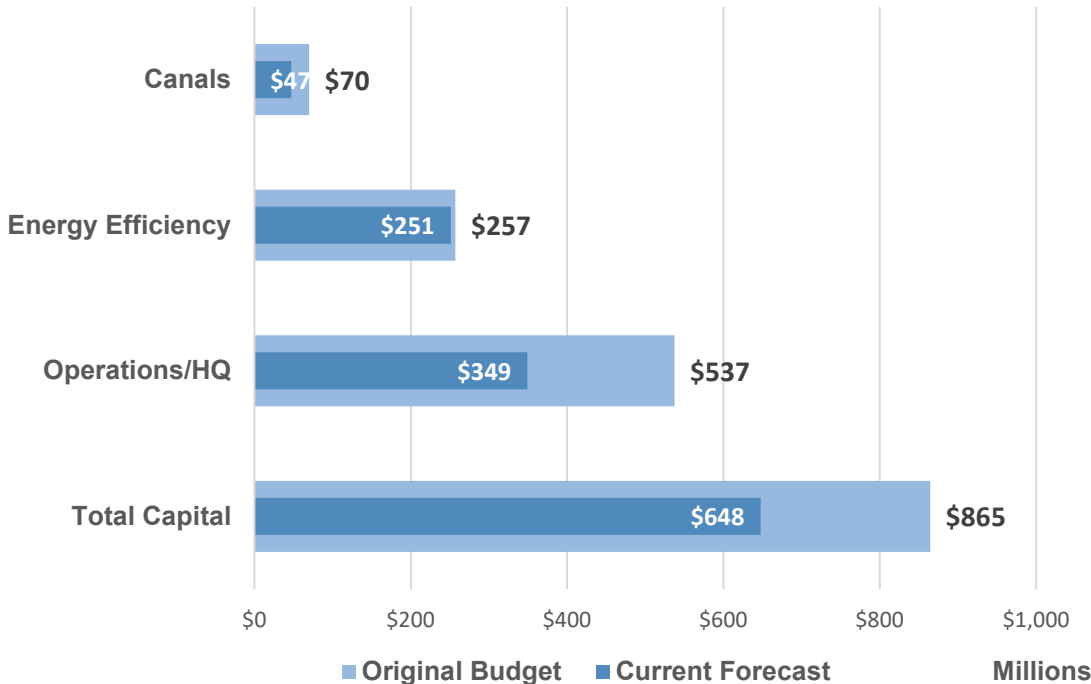
COVID-19 Update - Monitoring the Workplace & Preparedness for 2nd Wave



1. Continue to monitor the health of our employees and the spread of COVID19 in the workplace and the communities where our facilities are located.
2. Developed a Second Wave Readiness Plan for the following modes - Minor Incident, Major Incident, and Full Response modes.
3. Integrated NYPA / Canals Crisis Management functions with NYS Office of Emergency Management.
4. Rolled out COVID 19 Employee Testing Program - 2 rounds of COVID-19 testing completed.
5. Additional steps in progress to ensure staff and community are safe in the workplace and at visitor centers:
 - Installation of UV treatment and MERV filtration for HVAC systems, starting with WPO office and the control rooms at the NYPA / Canals facilities
 - Installation of touchless temperature scanners at visitor centers, improving efficiency and safety.
 - Secures stock or PPE equipment for the long term.
6. Continue to provide the Remote Workforce with frequent updates and tools to aid wellness and productivity – e.g. monitors, headsets etc., Headspace App launch
7. Drafted a Pandemic Manual, detailing NYPA / Canals emergency response to COVID-19 both before and following the official declaration of the pandemic.

Capital Summary – Original Budget vs. Current Forecast

Total Capital Plan Summary
(Construction & Non-Construction Efforts)



Construction Unpausing Status (Entire Organization)

Current plan following COVID impact is to Restart Construction on **292** Projects valued at **\$492M**

100%
Goal

202 Projects valued at **\$458M** are now Approved for Restart (Revised EH&S Plans, Comms Completed, etc.)

93%
Complete

60 Projects valued at **\$267M** have Restarted and are in Active Construction

54%
Complete



NY Power
Authority

Canal
Corporation



**NY Power
Authority**

**Canal
Corporation**



**NY Power
Authority**

**Canal
Corporation**

Paula Glover

President American Association of Blacks in Energy

July 28, 2020

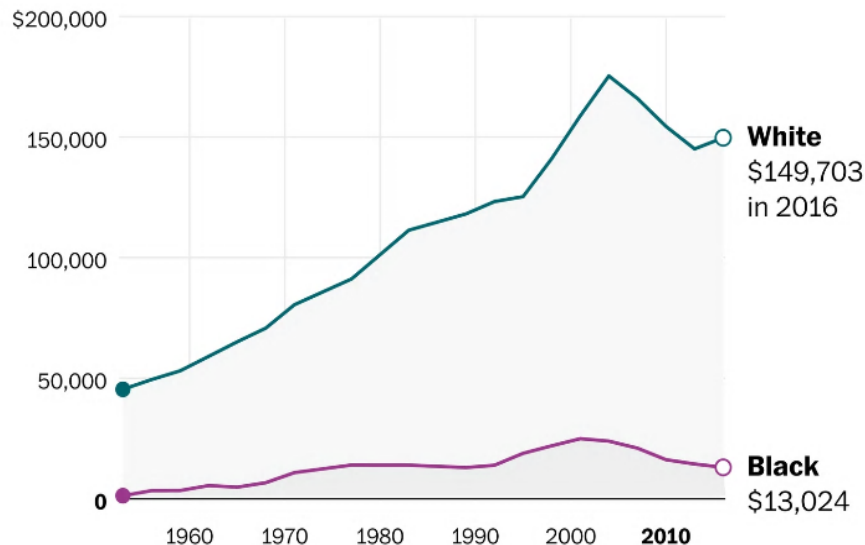
NYPA's Commitment to Addressing Racial Justice and Equity



The gap between the finances of Blacks and Whites is still as wide in 2020 as it was in 1968

White wealth surges; black wealth stagnates

Median household wealth, adjusted for inflation

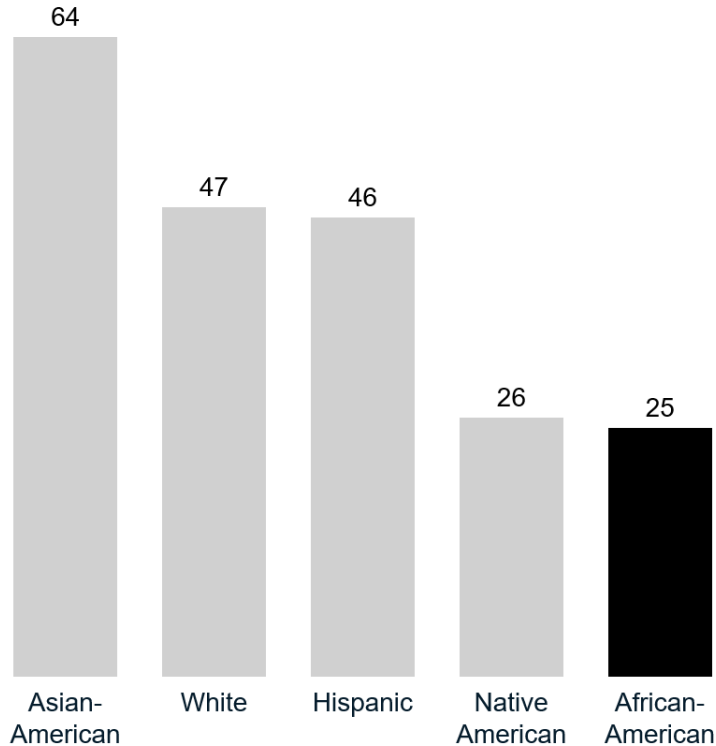


Source: Historical Survey of Consumer Finances via Federal Reserve Bank of Minneapolis and University of Bonn economists Moritz Kuhn, Moritz Schularick and Ulrike I. Steins
THE WASHINGTON POST

- The historical data reveal that no progress has been made in reducing income and wealth inequalities between Black and White households over the past 70 years
- The typical Black household headed by someone with an advanced degree has less wealth than a White household with only a high school diploma
- The wealth gap is even more pronounced among less-educated Americans. A White household whose head has only a high school diploma has almost 10 times the wealth of a Black family with the same education. The fact that Black families start off with so much less wealth makes it difficult to catch up, research has found

Impact on Upward Mobility

% of poor children that will reach the middle class or better as adults



Source: Equality of Opportunity Project, "Race and Economic Opportunity in the United States," 2018

Source: McKinsey

- According to McKinsey, the persistent wealth gap between White and Black families creates two negative impacts:
 1. **Human Impact:** Economic mobility is not equally distributed and is particularly difficult for Black Americans
 2. **Economic Impact:** The racial wealth gap constrains the U.S. economy, leading to up to \$1.5 trillion in lost economic output
- By closing the racial wealth gap, U.S. GDP could be 4 to 6 percent higher by 2028
- A heterogeneous workforce yields more innovation and better performance than a homogeneous one does

The challenges faced by the Black population is compounded by the impact of COVID-19 and systemic racism

Systemic Racism



Black men are 2.5 times more likely than White men to be killed by police during their lifetime. And in another study, Black people who were fatally shot by police seemed to be twice as likely as White people to be unarmed



Mental health research has demonstrated a causal link between experienced racial discrimination and adverse mental health outcomes

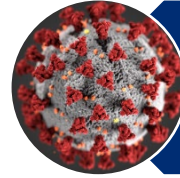
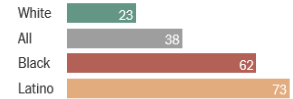


Perceived racism and discrimination, either overt or covert (microaggression) or in the forms of implicit bias have been associated with depression, anxiety, increased substance abuse, feelings of hopelessness and suicide ideation in Black adults and youths

Source: [Nature](#); [American Psychiatric Association](#)

COVID-19 Racial Disparities

Coronavirus cases per 10,000 people



Black and Latino people have been disproportionately affected by the coronavirus in a widespread manner that spans the country, throughout hundreds of counties in urban, suburban and rural areas, and across all age groups



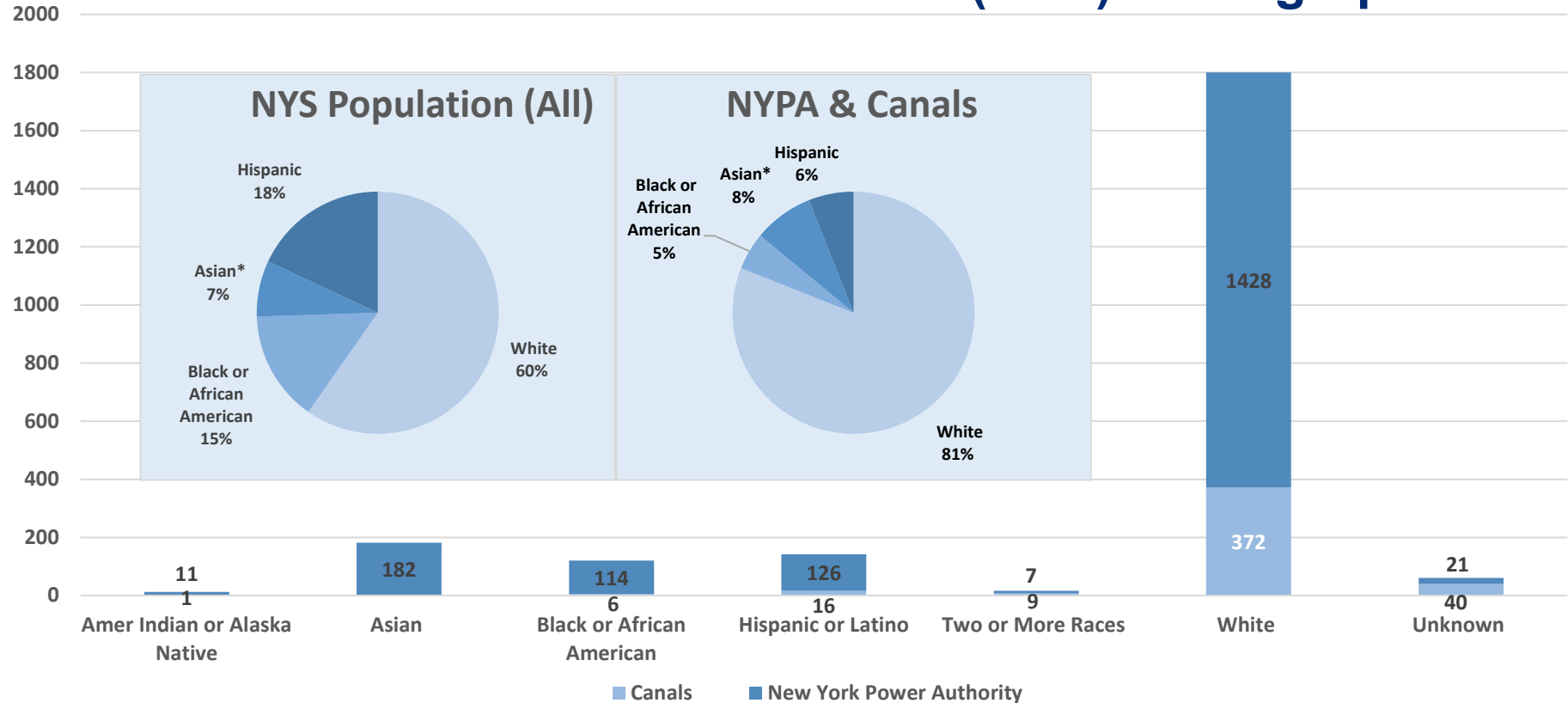
Latino and African-American residents of the United States have been 3X as likely to become infected as their White neighbors, according to the new data, which provides detailed characteristics of 640,000 infections detected in nearly 1,000 U.S. counties



Black and Latino people have been nearly twice as likely to die from the virus as White people, the data shows

Source: [The New York Times](#)

NYPA & Canals vs. New York State (NYS) Demographics



NYPA's Diversity, Equity and Inclusion (DEI) Program

The Office of Civil Rights and Inclusion, established in 2017, initially focused on employee engagement around DEI in order to build a critical mass of ambassadors as a precursor to successfully embed future DEI programs.

The Program aligns with industry best practices with focus on:

Build an Inclusive Workforce

- Created six Employee Resource Groups (ERG) sponsored by EMC
- 369 core ERG members
- Coordinated 40 ERG events with attendance of over 1,000 employees each year
- Quarterly ERG leadership meetings and trainings

Leadership Accountability

- Hosted senior leadership briefings and training on DEI
- Consulted DEI experts in the field
- Demonstrated leadership commitment to DEI through actions
- Conducted formal and informal surveys

Recruitment and Development

- Partnered with Recruitment /HR to develop programs
- Partnered with Environmental Justice & Sustainability on mentorship program
- Trained over 2,000 Canals and NYPA staff on DEI
- Partnered with Corporate Communications on DEI messaging

NYPA's Commitment to Racial Justice and Equity

Maximizing the human potential of everyone in the workplace

Internal Facing

1. Reaffirm NYPA's commitment to building and maintaining a diverse, equitable and inclusive culture.
2. Ensure that our processes, policies and procedures are transparent and free from bias.
3. Expand ongoing training to our employees on antiracism, unconscious bias, microaggression, and cultural competency.
4. Create a Chief Diversity, Inclusion and Equity Officer position, reporting to the President and CEO and to the Chief Human Resources and Administration Officer – and increase investment in the office of Civil Rights and Inclusion.
5. Invest in our Black employees and create pathways for career development and upward mobility.
6. Cast a wider net and secure a diverse slate of applicants for vacancies by partnering with professional organizations such as the American Association of Blacks in Energy, Historically Black Colleges and Universities and local and national colleges and universities.
7. Partner and support our employee unions at the national, regional and local levels and invest in their diversity, equity and inclusion programs and initiatives.

External Facing

8. Leverage NYPA's experience, resources and purchasing power to build capacity and access to MWBE firms.
9. Broaden our community-based STEM, student internship and mentorship programs to increase the pipeline of utility and clean energy workers of tomorrow – including the creation of a targeted college scholarship program.
10. Create an enterprise wide employee service program dedicated to understanding racial justice through our clean energy business (e.g. community solar) and energy sustainability work in environmental justice communities.

NYPA's Commitment to Racial Justice and Equity

Next Steps

1. Partner and collaborate with the American Association of Blacks in Energy (AABE) and develop specific deliverables and desired outcomes by September 2020.
2. Form teams to operationalize (plans, process, metrics, reports, etc) each of the 10 initial commitments.
3. Report progress and status at future meetings of the Governance Committee of the Board of Trustees.

Appendix

Diversity, Equity and Inclusion Steering Committee

- Gil Quiniones - President & CEO
- Justin Driscoll - EVP, General Counsel
- Joseph Kessler - EVP, Chief Operating Officer
- Kristine Pizzo - EVP, Chief HR & Administrative Officer

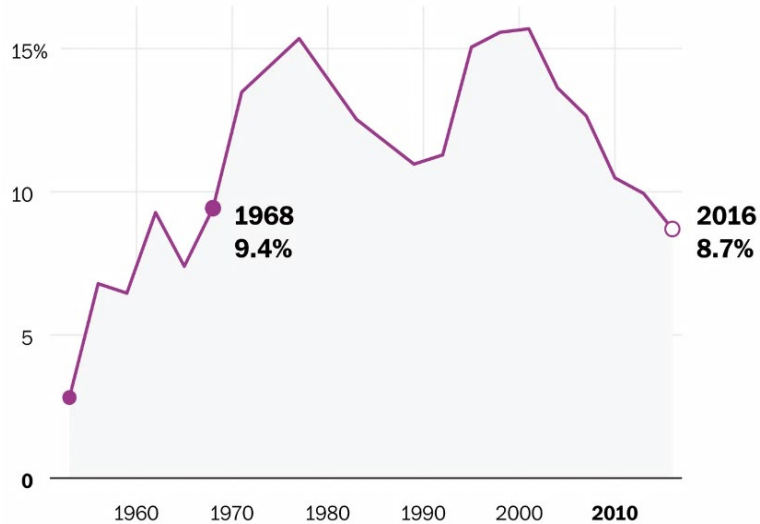
Diversity, Equity and Inclusion Working Group

- Debra Cartagena - Sr. Director Talent Acquisition
- Victoria Daniels - Manager Supplier Diversity
- Eric Firnstein - Labor Relations Manager & STL HR Manager
- Carol Geiger-Wank, Chief of Staff for COO & VP Labor Ops.
- Nancy Harvey - Dir. Office of Civil Rights and Inclusion
- Daniella Piper - VP Digital Transformation & Chief of Staff
- Simone Quartey - Civil Rights & Inclusion Specialist
- Lisa Wansley - VP Environmental Justice & Sustainability

The Washington Post – June 4, 2020

The black-white wealth gap is as wide as in the 1960s

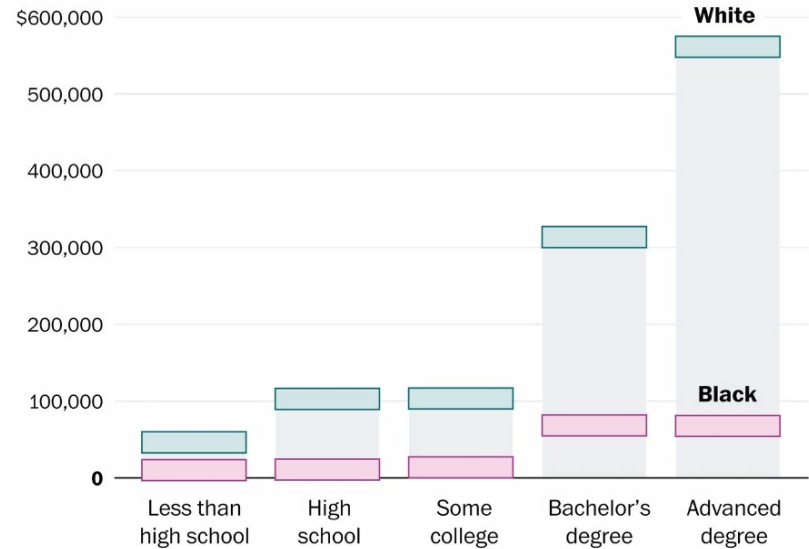
Median black household wealth as a percentage of median white household wealth



Source: Historical Survey of Consumer Finances via Minneapolis Fed and University of Bonn economists Moritz Kuhn, Moritz Schularick and Ulrike I. Steins

At every education level, black wealth lags

Median household wealth by race and education level, 2016

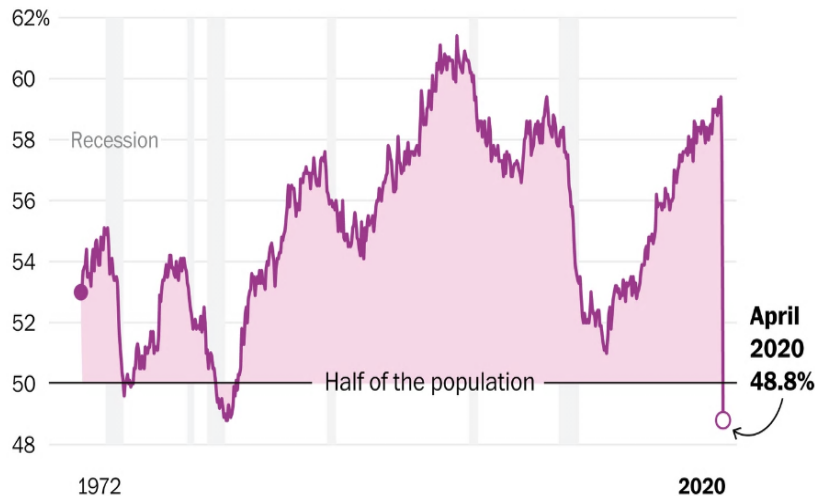


Source: Federal Reserve
THE WASHINGTON POST

The Washington Post – June 4, 2020

Fewer than half of black adults are now employed

U.S. black employment as a share of the black adult population



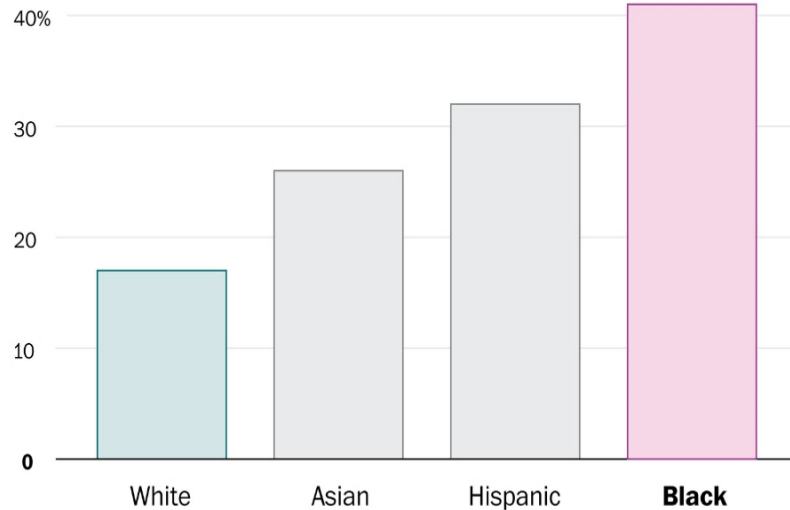
Note: Seasonally adjusted

Source: Labor Department via FRED

THE WASHINGTON POST

Black small businesses hit twice as hard as white ones

U.S. small business owners and self-employed workers who weren't working in April 2020, shown as a share of February's total



Source: Labor Department data analyzed by Robert Fairlie of the University of California, Santa Cruz

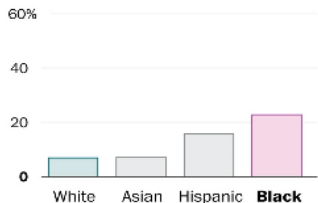
THE WASHINGTON POST

The Washington Post – June 4, 2020

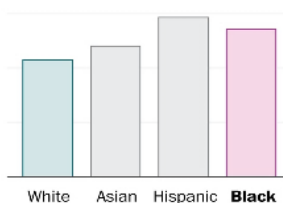
Consequences of the pandemic, by race or ethnicity

Average for three weeks from April 23 to May 21, 2020

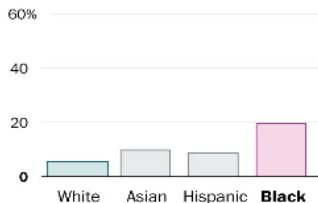
Often/sometimes don't have food



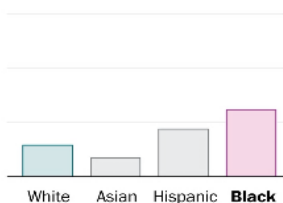
Have lost income since March



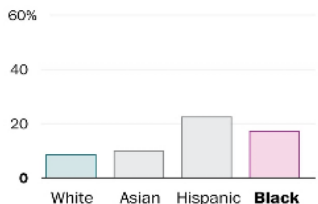
Missed a mortgage payment



Missed a rent payment



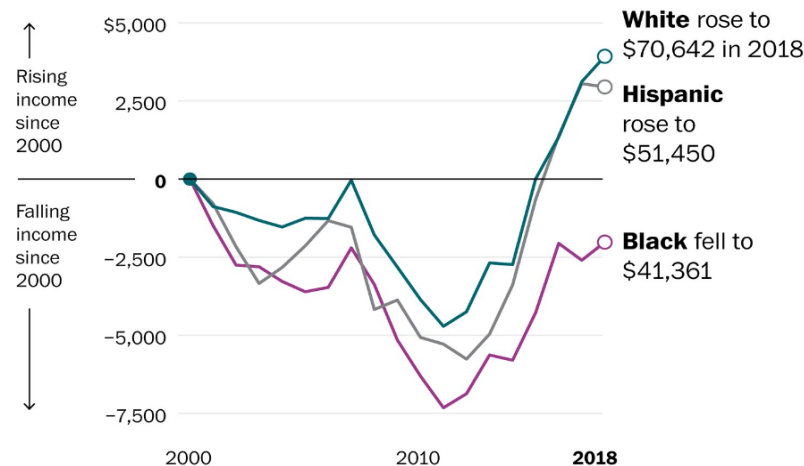
Don't have insurance



Source: Census Bureau's Household Pulse Survey
THE WASHINGTON POST

Black Americans still earn less than they did in 2000

Change in median income since the year 2000, adjusted for inflation



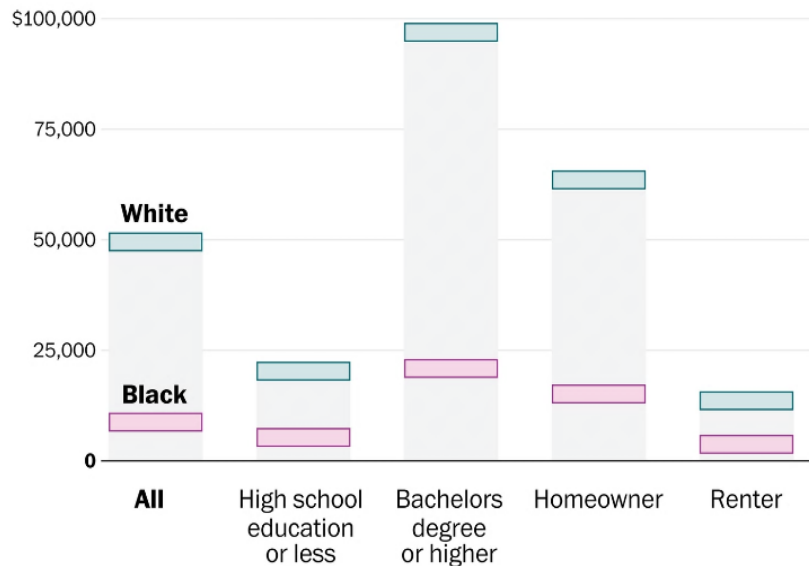
Note: Shown in constant 2018 dollars; methodology changed in 2013 and multiple values have been averaged within each year when available; the white category doesn't include those of Hispanic origin.

Source: Census Bureau

THE WASHINGTON POST

The Washington Post – June 4, 2020

Average cash on hand, 2016

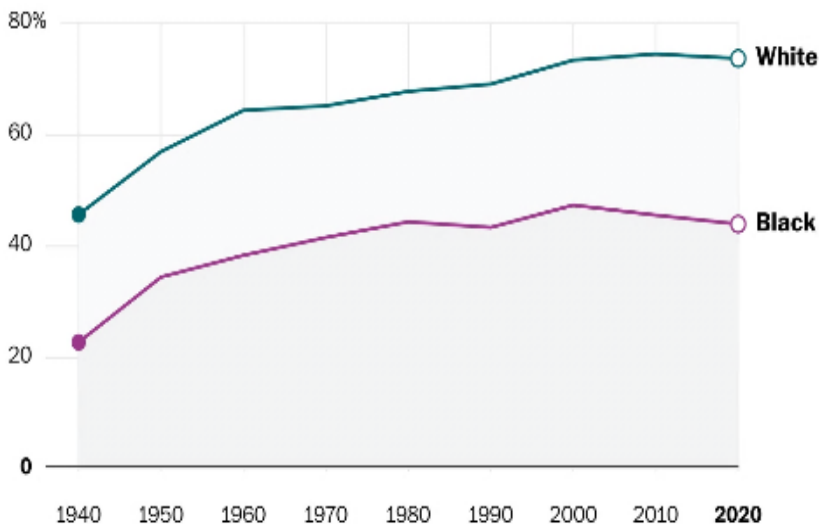


Note: Includes checking and savings accounts, cash, prepaid cards and directly held stocks, bonds and mutual funds.

Source: Federal Reserve via Elise Gould and Valerie Wilson of the Economic Policy Institute
THE WASHINGTON POST

Black homeownership is in retreat

Homeownership rates by decade and race

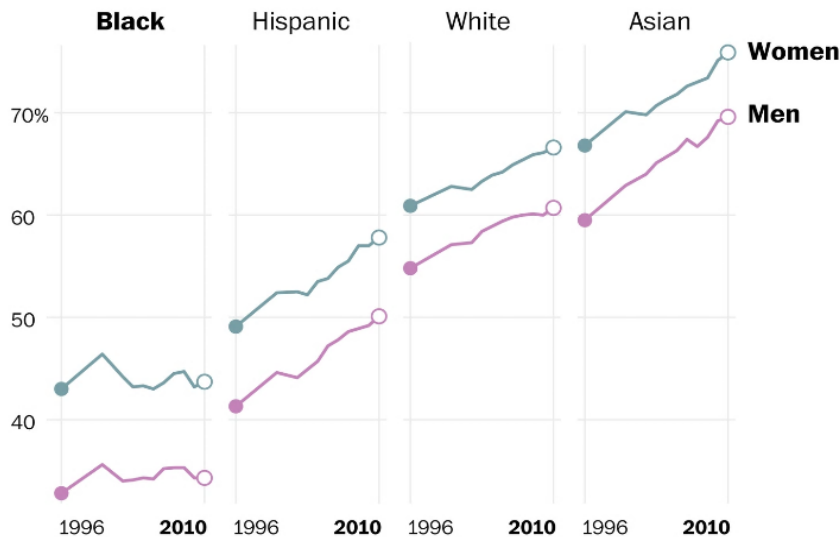


Source: Census Bureau
THE WASHINGTON POST

The Washington Post – June 4, 2020

Colleges are failing most black students

Share of students who graduate from four-year universities within six years, by year they entered college



Note: Asian includes Pacific Islanders

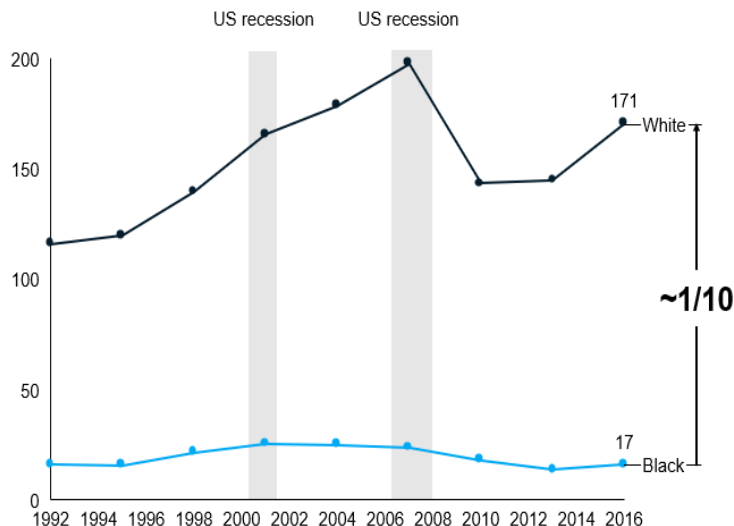
Source: National Center for Education Statistics

THE WASHINGTON POST

McKinsey

A wide and persistent wealth gap between white and black families creates two negative impacts

Median family wealth in 1992-2016 by ethnicity/race. \$ thousand¹



1. 2016 dollars

Source: "2016 survey of consumer finances." Federal reserve Board, September 2017, federalreserve.gov

1 Human Impact

Racial wealth gap puts **downward pressure** on socioeconomic mobility, disadvantaging black individuals, families, and communities

2 Economic Impact

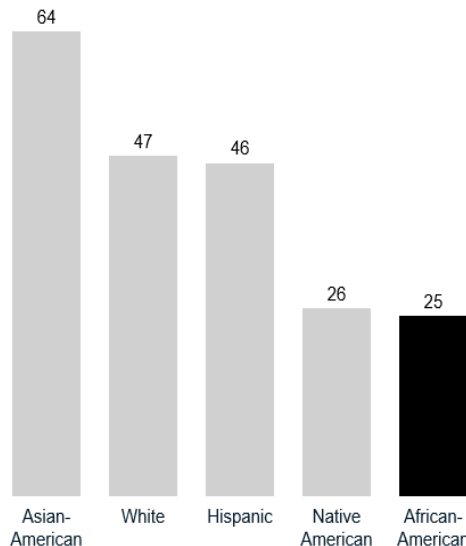
Racial wealth gap also **constrains the US economy as a whole**

McKinsey & Company 2

McKinsey

1. Human impact: Economic mobility is not equally distributed...

% of poor children that will reach the middle class or better as adults



Source: Equality of Opportunity Project, "Race and Economic Opportunity in the United States," 2018

...and is particularly difficult for black Americans



...African-American boys have lower rates of upward mobility than white boys from families in the **same census tract** and with **similar incomes**



...African-American children born in the top income quintile will remain there as adults compared to white children¹

1. 18% for black American vs. 41% for white children

Source: Race and Economic Opportunity in the United States: An Intergenerational Perspective

McKinsey & Company

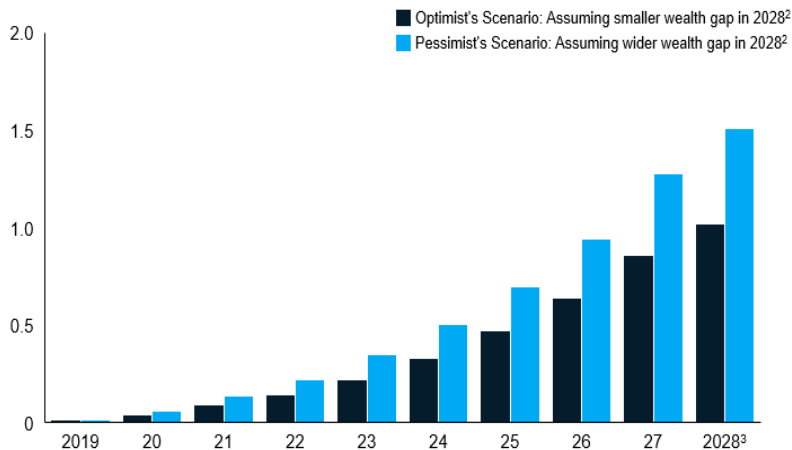
3



2. Economic impact: The racial wealth gap constrains the US economy as a whole, leading to up to \$1.5 trillion in lost economic output

Real GDP increase from closing racial wealth gap, \$ trillion¹

By closing the racial wealth gap, US GDP could be **4 to 6 percent higher by 2028**



11-12K

Increase in per capita GDP⁴ between 2018-2028, greater than any expansion in the last 30 years

¹ 2018 dollars ² Assumes that over time, wealth gap will close in linear fashion, reaching scenario's assumed targets by 2028
³ \$2.631 billion - \$3.990 billion in nominal dollars ⁴ \$7,500 - \$11,400 in nominal dollars

Source: "2016 survey of consumer finances," Federal reserve Board, September 2017, Federalreserve.gov; Oxford Economics; McKinsey Global Institute analysis

McKinsey & Company 4



NY Power
Authority

Canal
Corporation

McKinsey

The challenges facing black Americans have increased in the pandemic, with continued police brutality threatening black lives and livelihoods

COVID-19 has exacerbated the challenges facing black Americans...

65%

of Black Americans live in states with below median COVID-19 testing rates

40%

of the revenues of black-owned businesses are located in the five most vulnerable sectors due to the pandemic, compared with 25% of the revenues of all US businesses

7 M

of jobs held by black workers (39% of all jobs held by black workers) are vulnerable as a result of the COVID-19 crisis compared with **34%** for white workers

52%

of black workers surveyed say the coronavirus outbreak is a major threat to their personal financial situation, compared to 43% of white respondents

... as has continued police brutality



2.5x

lifetime risk that black men & boys will be killed by police vs. white men & boys

Source: McKinsey Global Institute, Pew Research Center

5



**NY Power
Authority**

**Canal
Corporation**



**NY Power
Authority**

**Canal
Corporation**

Exhibit 4a i-3-A

Accelerated Renewable Energy Growth and Community Benefits Act

- Northern New York Transmission Project**
- Western New York Transmission Project(s)**

Kimberly Harriman, Senior Vice President, Public and Regulatory Affairs

Girish Behal, Vice President, Projects and Business Development and Licensing

July 28, 2020

Accelerated Renewable Energy Growth and Community Benefits Act (AREGCBA)

- **The Act is designed to:**

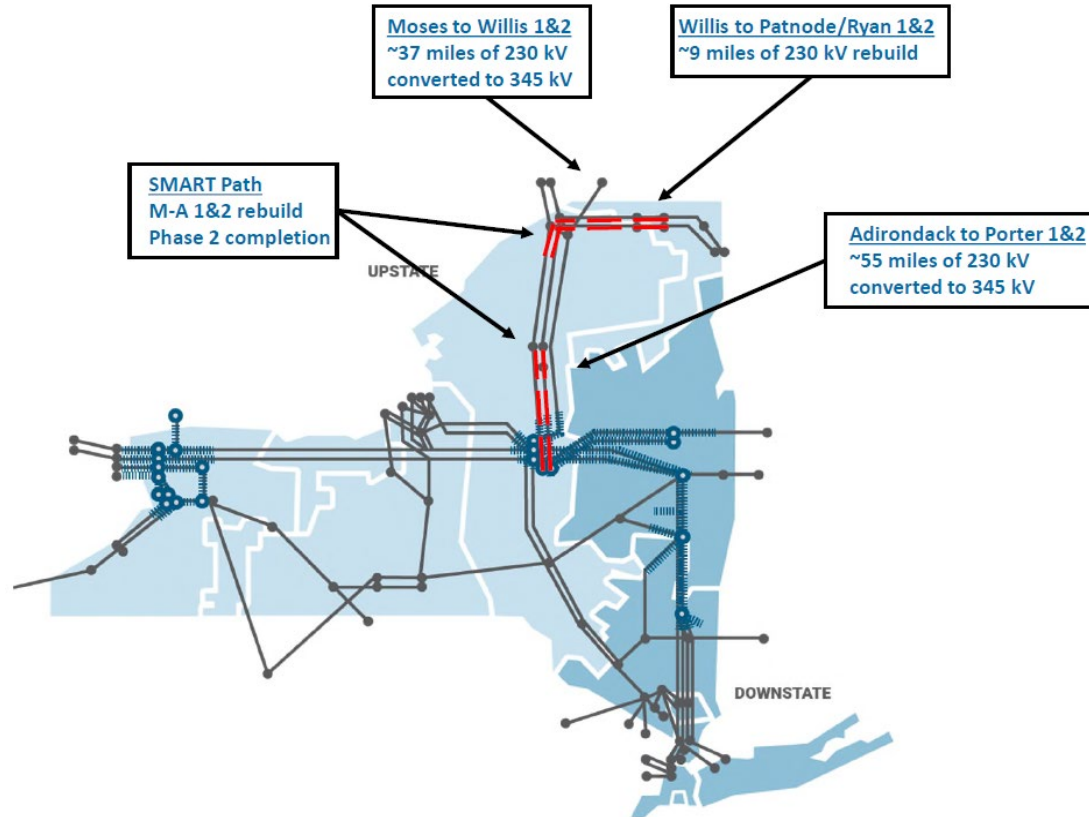
- Accelerate development and construction of renewable energy projects;
- Establish a “Build Ready Program” administered by New York State Energy Research and Development Authority; and
- Promote investment in the electric system to ensure delivery from renewable energy projects to load centers – “Grid Study.”

- **Grid Study & Investment Plan:**

- Local transmission and distribution upgrades and investments
- Bulk Electric Grid upgrades and investments – onshore & offshore resources
 - Order 1000 Public Policy Transmission Needs
 - Designate Priority Transmission Projects that NYPA may undertake
 - * Competitive solicitation for partners required for certain projects



NNY Transmission – Project Components

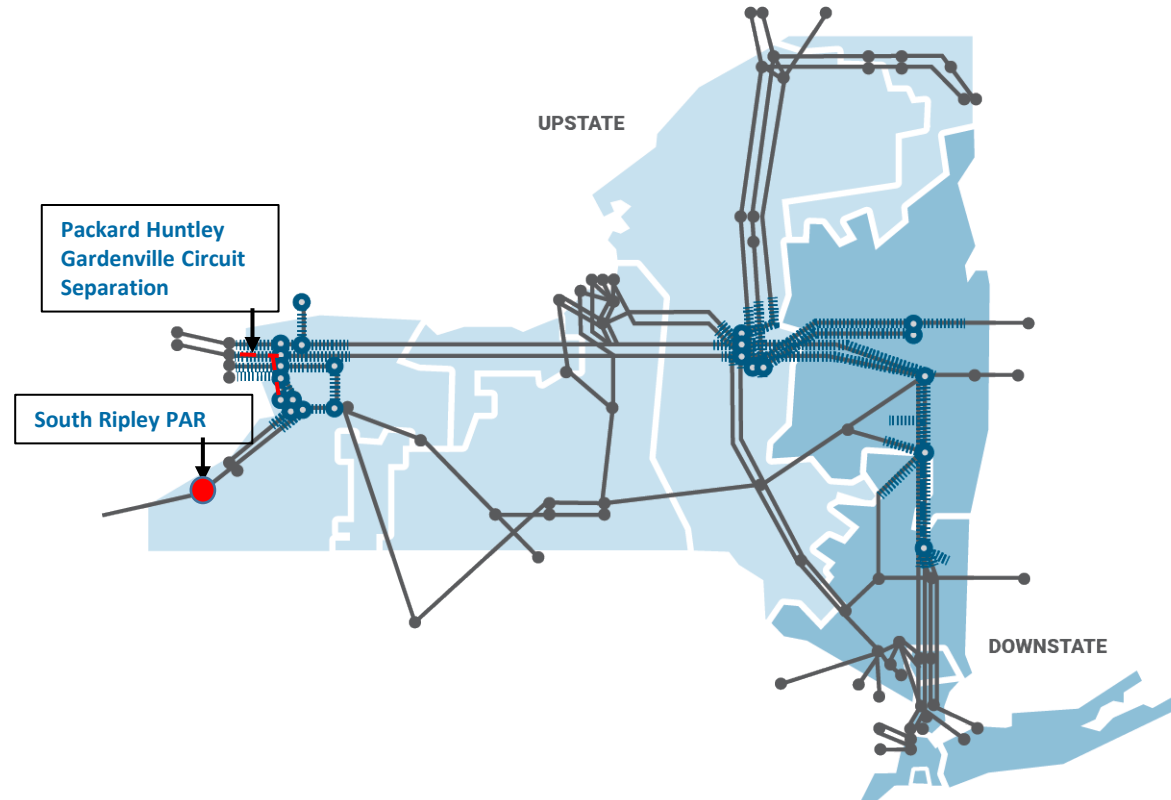


Northern New York (NNY) Transmission

Project Highlights

- Substantially within NYPA and National Grid rights of ways
- Reduces Curtailment of existing renewables and Enables additional renewables
- Enables 1000+MW of Transfer Capability from Northern New York to Downstate
- Enables 3000+ MW of renewable investments
- Leverages existing system investments in
 - Smart Path Project
 - AC Transmission Project
 - Transmission Owner Transmission Solutions (TOTS) Projects

Western New York Projects – Project Components



Northern New York (NNY) Transmission

Project Highlights

- Substantially within existing National Grid and Avangrid rights of ways
- Reduces Curtailment of existing renewables and Enables additional renewables
- Enables 600+ MW of renewable investments
- Leverages existing system investments in
 - Western New York Public Policy Transmission Needs (PPTN)



**NY Power
Authority**

**Canal
Corporation**



**NY Power
Authority**

**Canal
Corporation**

Exhibit 4b-A





Chief Operations Officer's Report

Joseph F. Kessler, P.E.

Executive Vice President & Chief Operating Officer

July 28, 2020

Level 1 KPIs: YTD June 2020

KPI	YTD June 2020			
	Status	Target	Actual	Variance
Generation Market Readiness		99.40%	99.98%	0.58%
Transmission System Reliability		93.07%	96.22%	3.15%
Environmental Incidents (Corporate)		22	14	-8
Dart Rate (Corporate)		0.78	0	-0.78

Legend:



Meeting or exceeding target



Missing target



Significantly missing target



**NY Power
Authority**

**Canal
Corporation**



**NY Power
Authority**

**Canal
Corporation**



**NY Power
Authority**

**Canal
Corporation**

Exhibit 4c-A

Chief Commercial Officer Report

Sarah Orban Salati

EVP & Chief Commercial Officer

July 28, 2020

Commercial Operations: Response to Customers during COVID

Customer Load Rebounds; Business Restarts

- Scheduled LSE portfolio at 4.4% below base load conditions for July
- 18% below base load at peak NY PAUSE
- 88% of curtailed Commercial & Industrial power has returned (34 of 50 back at full load)

Customer Support; 44% Subscription of EDCAP

- Economic Development Customer Assistance Program enrolled 322 out of 730 eligible
- Many customers remained open as deemed “essential”



Manifold Center, Medford, LI

Commercial Operations: Project Restart and Energy Markets during COVID

Increased Efficiencies Working Remotely

- Virtual site visits with 3D/4D walkthroughs
- Reduction of 50-75% in staff time
- Digital design reviews

Construction Restarts

- Over 120 projects approved for safe construction restart
- Energy efficiency, electric vehicle charging infrastructure and distributed energy resources

Reducing Wholesale Market Volatility Impacts

- Ongoing hedging for 2020-2023 future years to support NYPA financial plan
- Improve predictability of revenues relative to softening of market prices
- Q2 2020 hedging activities limited NYPA exposure to ~\$15M (@P5 confidence interval) for remainder of 2020

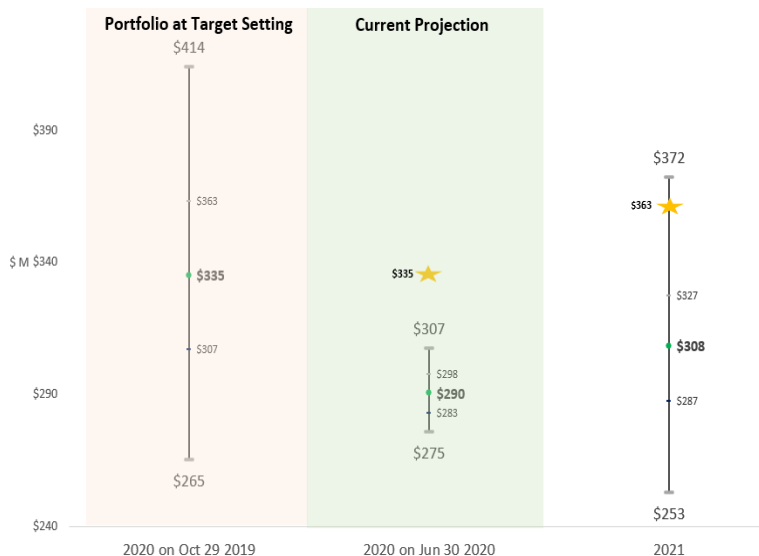


OGS Hanson Place, Brooklyn NY

Wholesale Electricity Supply as of end of June

Merchant Gross Margin

Key Targets: Q2 ● (\$8.1M) below GM target of \$79.4M
 YTD ● (\$46M) below GM target of \$169.4M



Market Fundamentals

Q2 Update

Temperatures at seasonal norms with slight uptick in 2H June

- US Gas inventory remains high - 30% above last year
- US Gas prices ~30% below target (vs. ~70% in Q1)
- Energy prices improved from Q1, was at ~35% below target
 - Lower margin partially offset by hedges (\$14.5 M)
 - Higher than expected generation volume (\$3.4 M)

Forward Outlook

Signs of load recovery with start of NY Un-pause

- NOAA projecting above normal summer temperatures
- NYISO 3-5% load reduction anticipated for rest of year
- BOY energy/gas prices projected 20% lower vs. target

Statewide Contributions



Customer Satisfaction

Customer Satisfaction Score Survey Results



Economic Development



Recharge NY
77% Allocated
705 of **910**
Megawatts



410,547
Jobs Retained



\$23.25 Billion
Capital Committed

Customer Offerings – Key Targets



Clean Energy Solutions

- **\$107.1M Executed Contracts**
(\$220M YE target)
- **\$9.1M YTD Non-Utility Revenues**
(\$21.2M YE target)



New York Energy Manager

- **532.8M Data Records**
(600 million data records YE target)



EVolve

- **2 Public DCFC projects in Construction with 8 charging ports**
(40 Public DC Fast Charging Ports YE target)



Lagrangeville site currently under construction

Meeting Key Milestones While Pushing Ahead

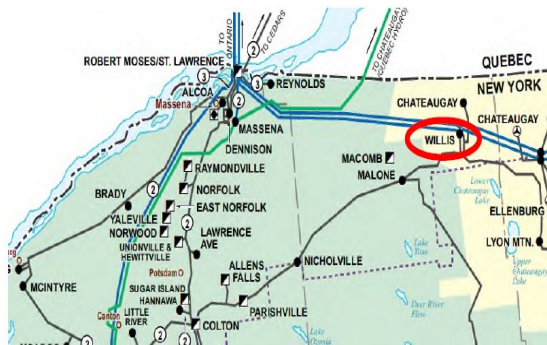
Product Development

Green Power Products from Expanded Authority approved and launched.



Utility Scale Developments

Construction began at 20 MW North County Storage Project July 15th.



Customer Sited Projects

Jacob Javits Center - 1.87 MW solar paired with ~2 MW/4HR storage - largest solar rooftop in NYC.





**NY Power
Authority**

**Canal
Corporation**



**NY Power
Authority**

**Canal
Corporation**

Exhibit 4d-A

Chief Financial Officer's Report

Adam Barsky

EVP & Chief Financial Officer

July 28, 2020

6+6 YEAR-TO-DATE ACTUALS

YTD ACTUALS (JANUARY-JUNE 2020)

In \$ Thousands	2020 Budget (\$)	2020 Current (\$)	Variance (\$)		
Net Operating Income					
Operating Revenue					
Customer Revenue	\$881,408	\$757,679	(\$123,728)		
Market-Based Power Sales	264,543	155,957	(108,586)		
Non Utility Revenue	12,930	9,913	(3,016)		
Ancillary Service Revenue	22,228	14,758	(7,470)		
NTAC and Other	98,504	99,185	682		
Operating Revenue Total	1,279,612	1,037,493	(242,118)		
Operating Expense					
Purchase Power	(317,255)	(204,123)	113,132		
Ancillary Service Expense	(28,913)	(24,860)	4,053		
Fuel Consumed	(84,670)	(40,792)	43,878		
Wheeling	(294,835)	(299,456)	(4,621)		
Operations & Maintenance	(292,960)	(276,826)	16,134		
Other Expense	(60,202)	(60,355)	(152)		
Allocation to Capital	9,993	14,112	4,118		
Operating Expense Total	(1,068,843)	(892,300)	176,543		
EBIDA Total	210,769	145,193	(65,576)		(65,576)
<i>EBIDA NYPA</i>	<i>256,263</i>	<i>187,686</i>	<i>(68,577)</i>		
<i>EBIDA Canals</i>	<i>(45,493)</i>	<i>(42,493)</i>	<i>3,000</i>		
Non Operating					
Interest and Other Expenses					
Interest & Other Expenses	(60,466)	(61,077)	(611)		
Investment and Other Income	13,941	25,395	11,454		
Mark to Market Adjustments	(180)	(4,792)	(4,612)		
Depreciation	(131,268)	(127,983)	3,285		
Interest and Other Expenses Total	(177,973)	(168,457)	9,516		
NET INCOME	\$32,796	(\$23,264)	(\$56,060)		(\$56,060)

Margins - Generation (\$55,370)

Margins - Transmission (27,214)

Margins - Non Utility (3,093)

Operating Expenses 20,100

Non-Operating Net 9,516

EBIDA: Earnings Before Interest Depreciation & Amortization



NY Power
Authority

Canal
Corporation

6+6 FULL-YEAR FORECAST

YEAR END PROJECTION (JANUARY - DECEMBER 2020)

In \$ Thousands	2020 Budget (\$)	2020 Current (\$)	Variance (\$)
Net Operating Income			Current vs Budget

Operating Revenue			
Customer Revenue	\$1,786,465	\$1,653,806	(\$132,659)
Market-Based Power Sales	524,543	390,079	(134,463)
Non Utility Revenue	30,128	24,166	(5,962)
Ancillary Service Revenue	45,417	37,258	(8,158)
NTAC and Other	193,707	213,666	19,959
Operating Revenue Total	2,580,259	2,318,975	(261,283)

Operating Expense			
Purchase Power	(612,391)	(485,105)	127,286
Ancillary Service Expense	(58,270)	(54,441)	3,829
Fuel Consumed	(158,717)	(96,405)	62,312
Wheeling	(644,109)	(648,878)	(4,769)

Operations & Maintenance	(612,582)	(608,630)	3,953
Other Expense	(119,785)	(123,916)	(4,131)
Covid-19 Expense*	0	(6,337)	(6,337)
Allocation to Capital	22,156	24,696	2,540
Operating Expense Total	(2,183,698)	(1,999,016)	184,682

EBIDA Total	396,561	319,960	(76,602)
EBIDA NYPA	487,588	407,758	(79,831)
EBIDA Canals	(91,027)	(87,798)	3,229

Non Operating

Interest and Other Expenses			
Interest & Other Expenses	(120,919)	(120,306)	613
Investment and Other Income	28,726	37,817	9,091
Mark to Market Adjustments	(359)	(5,503)	(5,144)
Depreciation	(262,536)	(258,918)	3,618
Interest and Other Expenses Total	(355,088)	(346,910)	8,178

NET INCOME	\$41,473	(\$26,950)	(\$68,424)
-------------------	-----------------	-------------------	-------------------

Margins - Generation** (\$52,714)

Margins - Transmission*** (13,874)

Margins - Non Utility (6,039)

** Includes Merchant Gross Margin Variance of (\$44,960): Budget @ \$335,449 vs Current @ \$290,488

*** Includes RTEP payment of \$32,810

Operating Expenses (3,975)

Non-Operating Net 8,178

EBIDA: Earnings Before Interest Depreciation & Amortization

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



NY Power
Authority

Canal
Corporation



**NY Power
Authority**

**Canal
Corporation**

July 28, 2020

AUDIT COMMITTEE CHARTER

A. PURPOSE

The Audit Committee ("Committee") oversees the work of the Internal Audit Department and monitors all internal audits and external audits performed by the Independent Auditor and other external agencies as well as management's corrective action and implementation plans to all audit findings.

The responsibilities of the Committee are to: recommend to the Board of Trustees the hiring of a certified independent accounting firm for the New York Power Authority ("Authority"), establish the compensation to be paid to the accounting firm and provide direct oversight of the performance of the independent audit conducted by the accounting firm hired for such purposes, provide direct oversight of the Internal Audit Department, and perform such other responsibilities as the Trustees may assign it.

B. MEMBERSHIP AND ORGANIZATION

(1) Committee Composition

The Committee will be comprised of at least three independent members of the Board of Trustees, who possess the necessary skills to understand the duties and functions of the Committee and be familiar with corporate finance and accounting. Committee members and the Committee Chair will be selected by a vote of the Board of Trustees.

Committee members are prohibited from being an employee of the Authority or an immediate family member of an employee of the Authority. In addition, Committee members shall not engage in any private business transactions with the Authority or receive compensation from any private entity that has material business relationships with the Authority, or be an immediate family member of an individual that engages in private business transactions with the Authority or receives compensation from an entity that has material business relationships with the Authority.

(2) Term

Committee members will serve for a period of five years subject to their term of office under Public Authorities Law § 1003. Committee members may be re-elected to serve for additional periods of five years subject to their term of office. A Committee member may resign his or her position on the Committee while continuing to serve as a Trustee. In the event of a vacancy on the Committee due to death, resignation or otherwise, a successor will be selected to serve in the manner and for the term described above.

(3) Removal

A Committee member may be removed if he or she is removed as Trustee for cause, subject to Public Authorities Law § 2827, or is no longer eligible to serve as a Committee member.

(4) Meetings and Quorum

The quorum of the Committee is a majority of the number of regular Committee members selected by the Board of Trustees.

A majority vote of all Committee members present is required to take action on a matter.

The Committee shall hold regularly scheduled meetings at least three times per year. A Committee member may call a special meeting of the Committee individually, or upon the request of the Authority's President and Chief Executive Officer ("CEO"), Executive Vice President and Chief Operating Officer ("COO"), Executive Vice President and General Counsel ("GC"), Executive Vice President and Chief Financial Officer ("CFO"), Chief Risk Officer ("CRO"), Controller, or Chief Audit Executive of the Internal Audit Department ("CAE"). The notice of meeting need not state the purpose for which the meeting has been called. In order to transact business, a quorum must be present.

In addition, the Committee: (1) will meet at least twice a year with the CAE for the purpose of reviewing audit activities, audit findings, management's response, remediation action plans, and providing the CAE with an opportunity to discuss items and topics of relevance with the Committee; (2) will meet at least twice a year with the Authority's independent auditors to discuss the audit work plans, objectives, results and recommendations; and (3) may meet independently with the Authority's CEO, COO, GC, CFO, CRO, Controller, or CAE on matters or issues and items within the Committee's purview as it deems necessary. These meetings may be held as part of a regular or special meeting at the Committee's discretion.

An agenda will be prepared and distributed to each Committee member prior to each meeting and minutes of each meeting will be prepared in accordance with the New York Open Meetings Law. Minutes of the meeting should include, at a minimum:

- a. Date; location; time meeting was called to order and adjourned; and if other Board committee (e.g., Finance Committee) is meeting simultaneously.
- b. Title and name of attendees; public comments period; title and name of public speakers.
- c. Approval of the official proceedings of the previous month's Committee meeting.
- d. Pre-Approval of audit and non-auditing services as appropriate, all auditing services and non-audit services to be performed by independent auditors will be presented to and pre-approved by the Committee:
 1. External Audit Approach Plans: Independent auditor presents approach/service plan, which is to be submitted to the Committee electronically;
 2. Internal Audit Activity Report: CAE provides overview of Internal Audit activities; and
 3. Risk Management: CRO provides an overview of Risk Management activities.
- e. Follow-up items including communications to the Committee of the current status of selected open issues, concerns, or matters previously brought to the Committee's attention or requested by the Committee.
- f. Status of audit activities, as appropriate; representatives of the certified independent accounting firm or agency management will discuss with the Committee significant audit

findings/issues, the status of on-going audits, and the actions taken by agency management to implement audit recommendations.

- g. Copies of handouts or materials presented to the Committee.

Any meeting of the Committee may be conducted by video conferencing. To the extent permitted by law, the Committee may hold meetings or portions of meetings in executive session.

C. FUNCTIONS AND POWERS

The Committee has the following responsibilities:

(1) General Powers

The Committee may call upon the resources of the Authority to assist the Committee in the discharge of its oversight functions. Such assistance may include the assignment of Authority staff and the retention of external advisors subject to the requirements of the Public Authorities Law and the Authority's Expenditure Authorization Procedures. The Committee may communicate directly with the CEO.

The Committee may direct any Authority employee to make oral or written reports to the Committee on issues and items within the Committee's purview.

The Committee may direct the Authority's internal auditors to conduct special audits of items and issues of concern to the Committee.

(2) Accounting, Financial Reporting, and Oversight of Independent Accountants and Controller

The Committee will seek to enhance the integrity, quality, reliability, and accuracy of the Authority's financial statements and accompanying notes and will oversee the relationship with the Authority's independent accountants. To accomplish these objectives, the Committee will:

- a. Provide advice to the Trustees on the selection, engagement, compensation, evaluation, and discharge of the independent accountants.
- b. Review and discuss as necessary the Authority's financial statements including any material changes in accounting principles and practices with the independent accountants, the Controller, or members of Authority management.
- c. Review and approve the Authority's annual audited financial statements (including the independent accountants' associated management letter).
- d. Oversee the establishment of procedures for the effective receipt and treatment of (i) complaints regarding auditing, internal auditing, and accounting matters, and (ii) the confidential submission of concerns raised by whistleblowers and other persons regarding accounting or auditing practices.
- e. Review at least annually the scope, objectives, and results of the independent auditors' examination of the annual financial statements and accompanying notes, and report to the Trustees on the Committee's findings.

- f. Assure the independence of the independent accountants by approving any non-audit work by them for the Authority and examining the independent auditor's relationship with the Authority.
- g. Report to the Trustees on any matters relevant to the audit process or independent accountant communications and make such recommendations as the Committee deems appropriate.

(3) Risk Management, Internal Controls and Oversight of the Internal Audit Department

The Committee will seek to enhance the Authority's risk management infrastructure and ensure timely and effective identification and mitigation of critical business risks. To accomplish these objectives, the Committee will:

- a. Have authority over appointment, dismissal, compensation, and performance reviews of the CAE. The CAE will report directly to the Committee.
- b. Review the charter, activities, staffing and organizational structure of the Internal Audit Department with management and the CAE.
- c. Ensure that the Internal Audit Department is organizationally independent from Authority operations.
- d. Provide oversight of the Internal Audit Department and its resources and activities to facilitate the Internal Audit Department's improvement of internal controls.
- e. Review Internal Audit reports and recommendations of the CAE. This review will include a discussion of significant risks reported in the Internal Audit reports, and an assessment of the responsiveness and timeliness of management's follow-up activities pertaining to the same.
- f. Require the CAE to attend any meeting of the Committee and to prepare and deliver such reports as the Committee requests.
- g. Provide guidance to the Authority's CRO and enterprise risk management program on critical business objectives, risks and philosophy and tolerance for risk mitigation, and establish requirements for the CRO to report to the Committee.
- h. Report at least annually to the Board of Trustees on matters relating to the internal audit function and the enterprise risk management program and make such recommendations as the Committee deems appropriate.
- i. Present periodic reporting to the Board on how the Committee has discharged its duties and met its responsibilities, and regularly report activities, issues, and recommendations.
- j. Review the Committee's charter annually, reassess its adequacy, and recommend any proposed changes to the Board.
- k. Conduct an annual self-evaluation of performance, including its effectiveness and compliance with the charter.

Standards Conformance

- l. Inquire of the CAE about steps taken to ensure that the internal audit activity conforms with the IIA's *International Standards for the Professional Practice of Internal Auditing (Standards)*.
- m. Ensure that the internal audit activity has a quality assurance and improvement program and that the results of these periodic assessments are presented to the Audit Committee.
- n. Ensure that the internal audit activity has an external quality assurance review every five years.
- o. Review the results of the independent external quality assurance review and monitor the implementation of the internal audit activity's action plans to address any recommendations.
- p. Advise the Board about any recommendations for the continuous improvement of the internal audit activity.

July 28, 2020

NEW YORK STATE CANAL CORPORATION **AUDIT COMMITTEE CHARTER**

A. PURPOSE

The Audit Committee ("Committee") oversees the work of the Internal Audit Department and monitors all internal audits and external audits performed by the Independent Auditor and other external agencies as well as management's corrective action and implementation plans to all audit findings.

The responsibilities of the Committee are to: recommend to the Board the hiring of a certified independent accounting firm for the New York State Canal Corporation ("Corporation"), establish the compensation to be paid to the accounting firm and provide direct oversight of the performance of the independent audit conducted by the accounting firm hired for such purposes, provide direct oversight of the Internal Audit Department, and perform such other responsibilities as the Board may assign it.

B. MEMBERSHIP AND ORGANIZATION

(1) Committee Composition

The Committee will be comprised of at least three independent members of the Board, who possess the necessary skills to understand the duties and functions of the Committee and be familiar with corporate finance and accounting. Committee members and the Committee Chair will be selected by a vote of the Board.

Committee members are prohibited from being an employee of the Corporation or an immediate family member of an employee of the Corporation. In addition, Committee members shall not engage in any private business transactions with the Corporation or receive compensation from any private entity that has material business relationships with the Corporation, or be an immediate family member of an individual that engages in private business transactions with the Corporation or receives compensation from an entity that has material business relationships with the Corporation.

(2) Term

Committee members will serve for a period of five years subject to their term of office under Public Authorities Law § 1003. Committee members may be reelected to serve for additional periods of five years subject to their term of office. A Committee member may resign his or her position on the Committee while continuing to serve as a member of the Board. In the event of a vacancy on the Committee due to death, resignation or otherwise, a successor will be selected to serve in the manner and for the term described above.

(3) Removal

A Committee member may be removed if he or she is removed as a member of the Board for cause, subject to Public Authorities Law § 2827, or is no longer eligible to serve as a Committee member.

(4) Meetings and Quorum

The quorum of the Committee is a majority of the number of Committee members selected by the Board.

A majority vote of all Committee members present is required to take action on a matter.

The Committee shall hold regularly scheduled meetings at least twice per year. A Committee member may call a special meeting of the Committee individually, or upon the request of the Corporation's President and Chief Executive Officer ("CEO"), Executive Vice President and Chief Operating Officer ("COO"), Executive Vice President and General Counsel ("GC"), Executive Vice President and Chief Financial Officer ("CFO"), Chief Risk Officer ("CRO"), Controller, or Chief Audit Executive of the Internal Audit Department ("CAE"). The notice of meeting need not state the purpose for which the meeting has been called. In order to transact business, a quorum must be present.

In addition, the Committee: (1) will meet at least twice a year with the CAE for the purpose of reviewing audit activities, audit findings, management's response, remediation action plans, and providing the CAE with an opportunity to discuss items and topics of relevance with the Committee; (2) will meet at least twice a year with the Corporation's independent auditors to discuss the audit work plans, objectives, results and recommendations; and (3) may meet independently with the Corporation's CEO, COO, GC, CFO, CRO, Controller, or CAE on matters or issues and items within the Committee's purview as it deems necessary. These meetings may be held as part of a regular or special meeting at the Committee's discretion.

An agenda will be prepared and distributed to each Committee member prior to each meeting and minutes of each meeting will be prepared in accordance with the New York Open Meetings Law. Minutes of the meeting should include, at a minimum:

- a. Date; location; time meeting was called to order and adjourned; and if other Board committee (e.g., Finance Committee) is meeting simultaneously.
- b. Title and name of attendees; public comments period; title and name of public speakers.
- c. Approval of the official proceedings of the previous month's Committee meeting.
- d. Pre-Approval of audit and non-auditing services as appropriate, all auditing services and non-audit services to be performed by independent auditors will be presented to and pre-approved by the Committee:

1. External Audit Approach Plans: Independent auditor presents approach/service plan, which is to be submitted to the Committee electronically;
 2. Internal Audit Activity Report: CAE provides overview of Internal Audit activities; and
 3. Risk Management: CRO provides an overview of Risk Management activities.
- e. Follow-up items including communications to the Committee of the current status of selected open issues, concerns, or matters previously brought to the Committee's attention or requested by the Committee.
 - f. Status of audit activities, as appropriate; representatives of the certified independent accounting firm or Corporation management will discuss with the Committee significant audit findings/issues, the status of on-going audits, and the actions taken by Corporation management to implement audit recommendations.
 - g. Copies of handouts or materials presented to the Committee.

Any meeting of the Committee may be conducted by video conferencing. To the extent permitted by law, the Committee may hold meetings or portions of meetings in executive session.

C. FUNCTIONS AND POWERS

The Committee has the following responsibilities:

(1) General Powers

The Committee may call upon the resources of the Corporation to assist the Committee in the discharge of its oversight functions. Such assistance may include the assignment of Corporation staff and the retention of external advisors subject to the requirements of the Public Authorities Law and the Corporation's Expenditure Authorization Procedures. The Committee may communicate directly with the CEO.

The Committee may direct any Corporation employee to make oral or written reports to the Committee on issues and items within the Committee's purview.

The Committee may direct the Corporation's internal auditors to conduct special audits of items and issues of concern to the Committee.

(2) Accounting, Financial Reporting, and Oversight of Independent Accountants and Controller

The Committee will seek to enhance the integrity, quality, reliability, and accuracy of the Corporation's financial statements and accompanying notes and will oversee the

relationship with the Corporation's independent accountants. To accomplish these objectives, the Committee will:

- a. Provide advice to the Board on the selection, engagement, compensation, evaluation, and discharge of the independent accountants.
- b. Review and discuss as necessary the Corporation's financial statements including any material changes in accounting principles and practices with the independent accountants, the Controller, or members of Corporation management.
- c. Review and approve the Corporation's annual audited financial statements (including the independent accountants' associated management letter).
- d. Oversee the establishment of procedures for the effective receipt and treatment of (i) complaints regarding auditing, internal auditing, and accounting matters, and (ii) the confidential submission of concerns raised by whistleblowers and other persons regarding accounting or auditing practices.
- e. Review at least annually the scope, objectives, and results of the independent auditors' examination of the annual financial statements and accompanying notes, and report to the Board on the Committee's findings.
- f. Assure the independence of the independent accountants by approving any non-audit work by them for the Corporation and examining the independent auditor's relationship with the Corporation.
- g. Report to the Board on any matters relevant to the audit process or independent accountant communications and make such recommendations as the Committee deems appropriate.

(3) Risk Management, Internal Controls and Oversight of the Internal Audit Department

The Committee will seek to enhance the Corporation's risk management infrastructure and ensure timely and effective identification and mitigation of critical business risks. To accomplish these objectives, the Committee will:

- a. Have authority over appointment, dismissal, compensation, and performance reviews of the CAE. The CAE will report directly to the Committee.
- b. Review the charter, activities, staffing and organizational structure of the Internal Audit Department with Corporation management and the CAE.
- c. Ensure that the Internal Audit Department is organizationally independent from Corporation operations.
- d. Provide oversight of the Internal Audit Department and its resources and activities to facilitate the Internal Audit Department's improvement of internal controls.
- e. Review Internal Audit reports and recommendations of the CAE. This review will include a discussion of significant risks reported in the Internal Audit reports, and

an assessment of the responsiveness and timeliness of management's follow-up activities pertaining to the same.

- f. Require the CAE to attend any meeting of the Committee and to prepare and deliver such reports as the Committee requests.
- g. Provide guidance to the Corporation's CRO and enterprise risk management program on critical business objectives, risks and philosophy and tolerance for risk mitigation, and establish requirements for the CRO to report to the Committee.
- h. Report at least annually to the Board on matters relating to the internal audit function and the enterprise risk management program and make such recommendations as the Committee deems appropriate.
- i. Present periodic reporting to the Board on how the Committee has discharged its duties and met its responsibilities, and regularly report activities, issues and recommendations.
- j. Review the Committee's charter annually, reassess its adequacy, and recommend any proposed changes to the Board.
- k. Conduct an annual self-evaluation of performance, including its effectiveness and compliance with the charter.

Standards Conformance

- l. Inquire of the CAE about steps taken to ensure that the internal audit activity conforms with the IIA's *International Standards for the Professional Practice of Internal Auditing (Standards)*.
- m. Ensure that the internal audit activity has a quality assurance and improvement program and that the results of these periodic assessments are presented to the Audit Committee.
- n. Ensure that the internal audit activity has an external quality assurance review every five years.
- o. Review the results of the independent external quality assurance review and monitor the implementation of the internal audit activity's action plans to address any recommendations.
- p. Advise the Board about any recommendations for the continuous improvement of the internal audit activity.

Internal Audit Charter

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date (For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
6/9/2020	2	Update to Charter to align with the Institute of Internal Auditors International Professional Practices Framework (IPPF)	Various Sections	Angela Gonzalez SVP Internal Audit
10/5/2018	1	Update to Charter	Various Sections	Angela Gonzalez SVP Internal Audit
12/17/2015	0	Creation of Charter This Charter replaces the Internal Audit Program Company Policy 5-1. There were 5 prior versions of the previous policy	N/A	Jennifer Faulkner SVP of Internal Audit

PURPOSE

Purpose

The mission of the Internal Audit (IA) function is to provide independent, objective audit and advisory services designed to add value, manage risks, and improve NYPA and Canal Corporation (NYPA and Canals) operations. IA helps the organization accomplish its objectives by bringing a systemic and disciplined approach to evaluating and improving the effectiveness of NYPA and Canals governance, risk management, and internal controls. This includes processes designed to evaluate the effectiveness and efficiency of operations, ability to execute on strategic initiatives, reliability of financial reporting, and compliance with applicable laws and regulations.

Standards for the Professional Practice of Internal Auditing

IA will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing. The Chief Audit Executive (CAE) will report periodically to senior management and the Audit Committee of the Board of Trustees (Audit Committee) regarding the IA department's conformance to the Code of Ethics and the Standards.

Authority

The CAE will report functionally to the Audit Committee and administratively (i.e., day-to-day operations) to the Executive Vice President & General Counsel. To establish, maintain, and assure that NYPA and Canals' IA department has sufficient authority to fulfill its duties, the Audit Committee will:

- Approve the IA department's charter.
- Approve the risk-based IA plan.
- Approve the IA department's budget and resource plan.
- Receive communications from the CAE on the IA department's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the CAE.
- Approve the remuneration of the CAE.
- Make appropriate inquiries of management and the CAE to determine whether there is inappropriate scope or resource limitations.

The CAE will have unrestricted access to, and communicate and interact directly with, the Audit Committee, including private meetings without management present. The CAE will also have access to the Executive Management Committee (EMC).

The Audit Committee authorizes the IA department to:

- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain assistance from the necessary NYPA and Canals personnel, as well as other specialized services from within or outside NYPA and Canals, to complete the engagement.

Responsibilities

The CAE has the responsibility to:

- Submit, at least annually, to senior management and the Audit Committee a risk-based internal audit plan for review and approval.
- Communicate to senior management and the Audit Committee the impact of resource limitations on the internal audit plan.
- Review and adjust the internal audit plan, as necessary, in response to changes in NYPA and Canals' business, risks, operations, programs, systems, and controls.
- Communicate to senior management and the Audit Committee any significant interim changes to the internal audit plan.
- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Follow up on engagement observations and corrective actions, and report periodically to senior management and the Audit Committee any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure the IA department collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the IA charter.
- Ensure trends and emerging issues that could impact NYPA and Canals are considered and communicated to senior management and the Audit Committee as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Establish and ensure adherence to policies and procedures designed to guide the IA department.
- Ensure adherence to NYPA and Canals' relevant policies and procedures, unless such policies and procedures conflict with the IA charter. Any such conflicts will be resolved or otherwise communicated to senior management and the Audit Committee.
- Ensure conformance of the IA department with the IIA Standards (Standards), with the following qualifications:
 - If the IA department is prohibited by law or regulation from conformance with certain parts of the Standards, the CAE will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.

- If the Standards are used in conjunction with requirements issued by other authoritative bodies, the CAE will ensure that the IA department conforms with the Standards, even if the IA department also conforms with the more restrictive requirements of other authoritative bodies.

INDEPENDENCE AND OBJECTIVITY

Independence and Objectivity

The CAE will ensure that the IA department remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the CAE determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased approach that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for NYPA and Canals or their affiliates.
- Initiating or approving transactions external to the IA department.
- Directing the activities of any NYPA and Canals employee not employed by the IA department, except to the extent that such employees have been appropriately assigned to audit teams or to otherwise assist internal auditors.

Where the CAE has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.

Internal auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process under examination.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest or undue influence with their own interests or by others in forming judgments.

The CAE will confirm to the Audit Committee, at least annually, the organizational independence of the IA department.

The CAE will disclose to the Audit Committee any interference or undue influence and their related implications in determining the scope of internal auditing, performing work, and/or communicating results.

Scope of Internal Audit Activities

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Audit Committee, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for NYPA and Canals. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of NYPA and Canals' strategic objectives are appropriately identified and managed.
- The actions of NYPA and Canals' officers, directors, employees, contingent workers and contractors are in compliance with NYPA and Canals' policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact NYPA and Canals.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.
- Collaboration occurs among IA, Enterprise Risk Management and the Ethics and Compliance Office to report significant risk exposures and control issues, including fraud risks and governance issues.

The CAE also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The IA department may perform advisory and related client service activities, the nature and scope of which will be agreed upon with the client, provided the IA department does not assume management responsibility.

QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

IA will maintain a Quality Assurance and Improvement Program that covers all aspects of the IA function. The program will include an evaluation of the IA department's conformance with the Standards and an evaluation of whether internal auditors apply The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the IA department and identify opportunities for improvement.

The CAE will communicate to senior management and the Audit Committee on the IA department's Quality Assurance and Improvement Program, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside NYPA and Canals.

MANAGING THE INTERNAL AUDIT FUNCTION

The CAE is delegated the authority and discretion to perform audit and advisory services and to oversee the IA function. The CAE will promote a strong control environment and

emulate appropriate “tone at the top.” The CAE will also be responsible for maintaining a professional IA department which possess sufficient knowledge, skills, experience, and professional qualifications to meet the requirements of the IA charter.

In addition, the CAE will be responsible for overseeing the following aspects of the IA function:

- Developing and overseeing the execution of IA work programs which should address the appropriate scope and techniques required to achieve the audit objectives.
- Overseeing the development of work papers that meet the quality standards required by management and are consistent with audit professional standards.
- Coordinating alignment with other risk management and compliance functions.
- Serving as a business partner to proactively identify risks and support execution of NYPA and Canals strategies.
- Maintaining updated job descriptions, roles, and competencies for each staff level and updating the organizational chart as necessary.
- Periodically reviewing critical hiring and recruiting needs as well as competency gaps.
- Developing staff with skills that can be transferred to other areas of the business.
- Aligning to professional standards and serving as a training and talent development organization within NYPA and Canals.
- Effectively onboarding IA new hires and providing core training materials as well as ongoing training and development that correlates to competency and career planning.
- Developing and deploying effective methodologies to execute the function's mandate.
- Assessing and identifying appropriate technologies required to support the function and add value to NYPA and Canals.

NATURE OF WORK

IA will develop an annual audit plan based on the prioritization of the audit universe, an appropriate risk-based methodology, and input from management and the Audit Committee. The established audit universe defines the auditable entities and risks that IA will monitor and mitigate. These elements will include operational, financial, compliance and strategic risk, as well as information technology. IA will generally perform three categories of IA activities:

- **Audits** – IA will provide independent assurance activities of the performance of NYPA and Canals governance, risk management and control processes.
- **Assessments** – IA will provide independent assessment activities focused on process improvement opportunities, risk identification and mitigation within new processes and initiatives.
- **Advisory** – IA will provide various consulting activities in either documented form or real-time feedback applied to new processes, initiatives, or other identified management requests. IA is considered a partner and trusted advisor in these efforts.

ENGAGEMENT PLANNING AND AUDIT PERFORMANCE

IA will perform an annual risk assessment to create an Internal Audit plan. As part of the risk assessment, IA will consider feedback from management at various levels, emerging

risks, strategic objectives, prior years' internal audit results, and significant upcoming industry and organizational changes, among others, to understand risks faced by NYPA and Canals. In addition to the development and execution of the Internal Audit plan, IA will be responsible for budget and resource allocation, managing personnel assigned to projects, scope determination, and communication protocols with management for each of its projects.

IA will execute the annual audit plan, including as appropriate, any special projects requested by the Audit Committee, the CEO and/or applicable members of management. As part of audit execution, IA will be responsible for:

- Establishing end-to-end audit timelines including ongoing risk monitoring activities, planning, and fieldwork, required status meetings and reporting.
- Establishing an understanding with the business regarding audit objectives, scope, timelines, and reporting of observations and recommendations.
- Using all records, personnel, and physical properties within NYPA and Canals in an ethical manner, and in accordance with NYPA and Canals policies and procedures, to avoid undue interruption of normal operations.
- Taking responsibility for employee privacy and confidentiality of information obtained during audit projects.

COMMUNICATING RESULTS

The CAE will report periodically to senior management and the Audit Committee regarding:

- The IA department's purpose, authority, and responsibility.
- The IA department's plan and performance relative to its plan.
- The IA department's conformance with the IIA's Code of Ethics and Standards, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Audit Committee.
- Results of audit engagements or other activities.
- Resource requirements.
- Any response to risk by management that may be unacceptable to NYPA and Canals.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

IA will review IA reports and communicate all observations with appropriate management in a manner that will allow management to assess the adequacy of internal controls and understand remediation factors that should take place. All observations will be agreed upon with management prior to report issuance. In addition, IA will execute a report rating process whereby observations and reports will be rated against a scale of pre-defined criteria. Observations will be rated on a scale of High, Medium, and Low, and reports will be evaluated as Good, Satisfactory, Needs Improvement and Unsatisfactory. Ratings will be relative to the individual observation, risk categories, or risks to NYPA and Canals and may consider materiality or potential impact.

IA will provide reasonable and appropriate recommendations for corrective action plans (i.e., management action plans and/or management recommendations) which management

will agree to and provide IA with an action owner and timeline by which remediation is expected.

MONITORING PROCESS

Management action plans will be monitored on a monthly basis. Any recommended action that, in the judgment of IA, does not receive adequate attention will be escalated to an appropriate level of management for resolution. The escalation process may involve successive levels of management and may include the EMC, the CEO, and the Audit Committee in the event a high rated observation is not timely or satisfactorily resolved. Management of the audited organization shall be notified of the intent to escalate a particular issue and will be encouraged to participate in its resolution.

Approval/Signatures

Angela Gonzalez

6/8/2020

Chief Audit Executive

Date

Board/Audit Committee Chair

Date

Chief Executive Officer

Date



**NY Power
Authority**

**Canal
Corporation**

Exhibit 4g-A

COVID Response & Security Update

Larry Mallory

Sr. Director Physical Security & Crisis Management

Kenneth Carnes

VP Critical Secure Services & Chief Information Security Officer

July 28, 2020

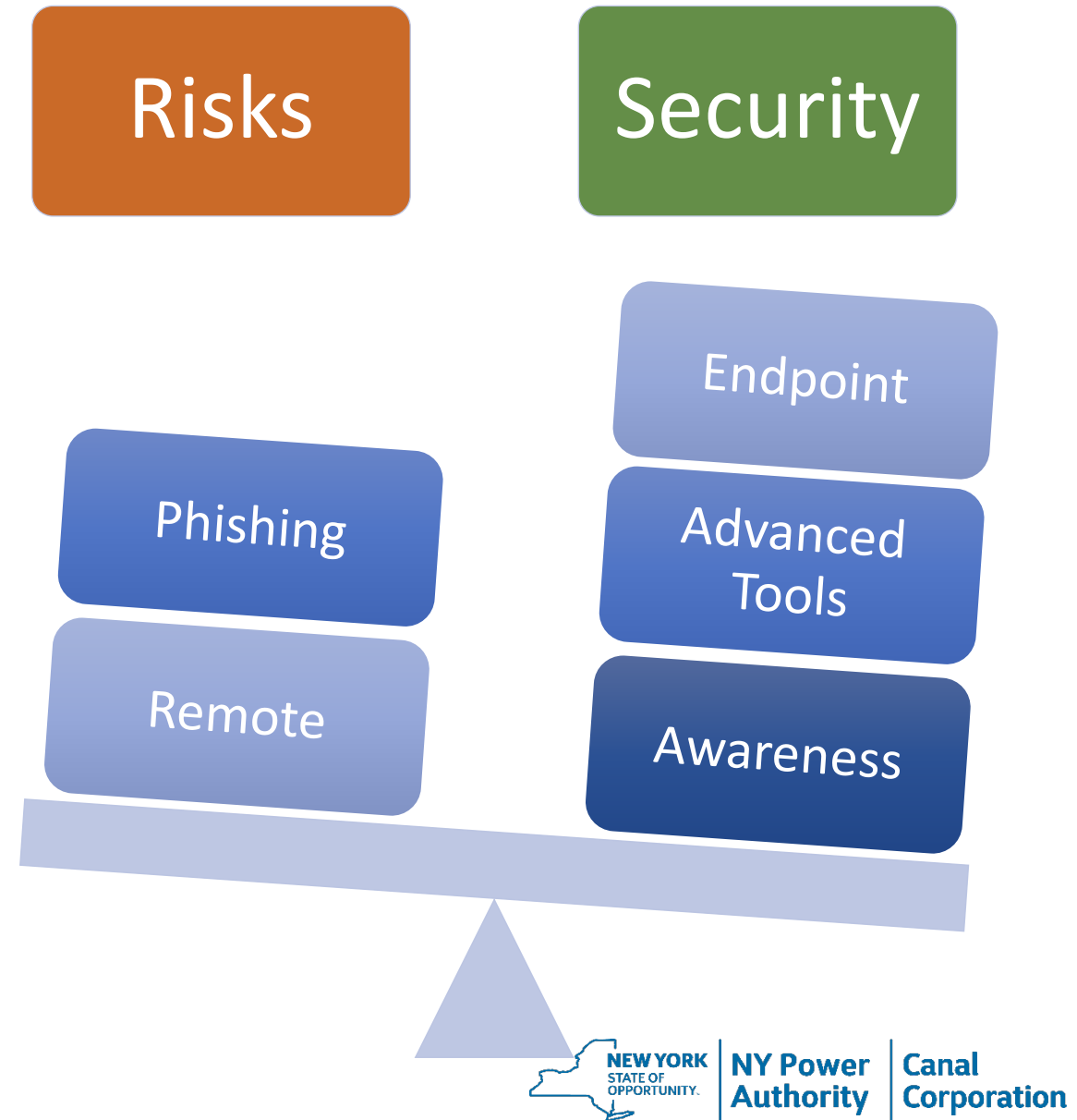
COVID-19 NYS Response



Anthony Wayne COVID Testing Site - NYPA Drone Photo

- DOL Call Center Support: 75 Employees over 46 Days
- NYS Contact Tracers: 60 Employees (Ongoing)
- Anthony Wayne Site: 3 Employees (Ongoing > 140 days). Greater than 28,000 COVID Tests Completed.
- NYS DHSES Office of Emergency Operations Center / Essential Support Function 1 Transportation Support:
 - 53 Employees
 - 124 Days Contiguous days onsite
 - Hundreds of moves to deliver PPE, ventilators, generators, traffic control devices & critical equipment throughout the state.
 - Provided Warehouse Support
 - Leadership Role in *Specimen-Serology Transportation Task Force (S/STTF)*
 - Shipped > 50,000 critical specimens to Wadsworth Lab.
 - Shipped well over a million test kits to 1156 nursing homes.

COVID-19 Cybersecurity Overview



Industry Leadership



Shaping the Future of Cybersecurity and Digital Trust

Cyber Resilience in the Electricity Ecosystem: Playbook for Boards and Cybersecurity Officers

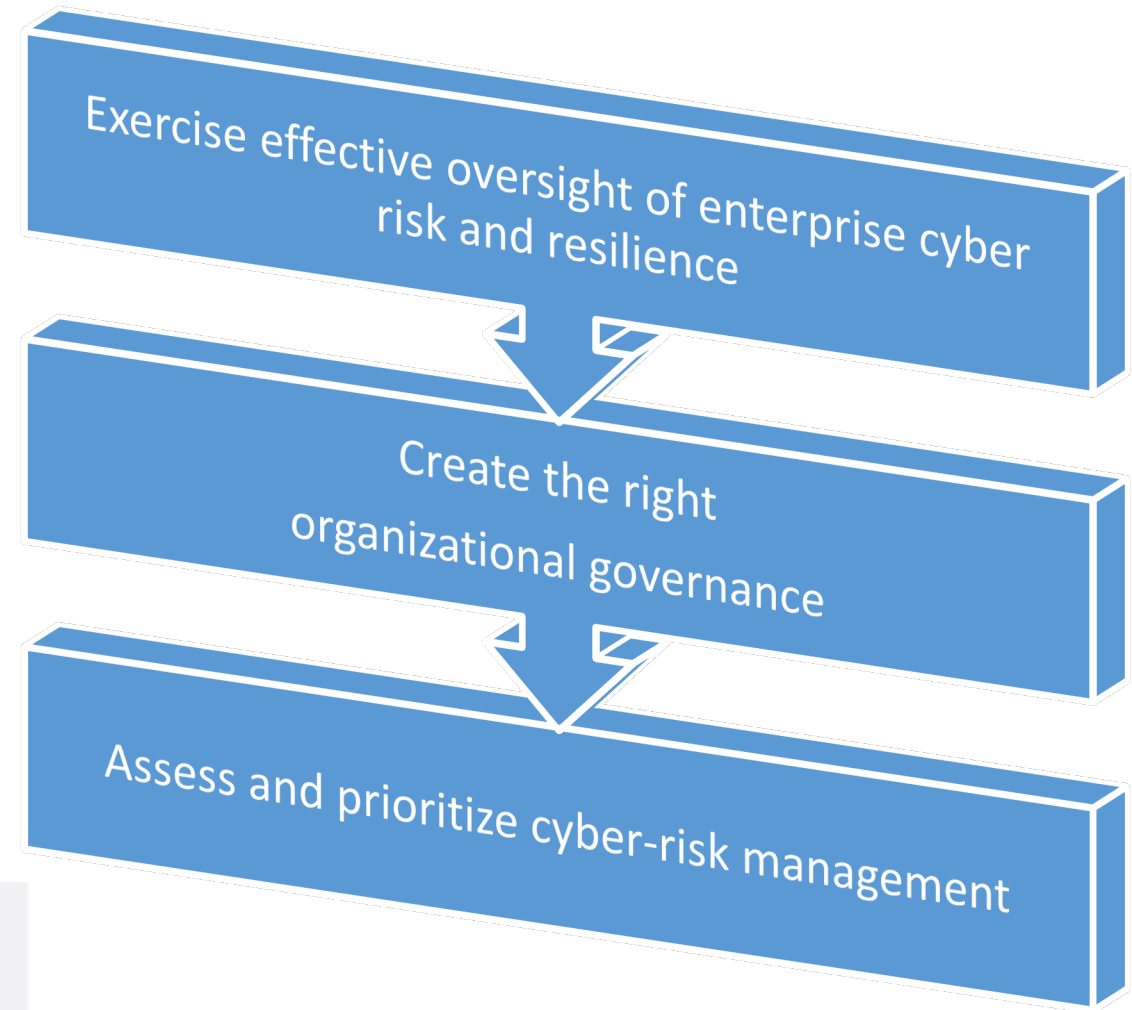
In collaboration with Accenture and the Electricity Industry Community

June 2020

USE CASE: New York Power Authority

Implementing the principles to improve the active management of cybersecurity and resilience

The New York Power Authority (NYPA) focuses on security and resilience, implementing board principles through monitoring and implementing the toolkit for cyber resilience in the electricity sector. The NYPA has strong board engagement on the critical role the organization plays in New York State and an understanding of how security and resilience of the services provided need clear emphasis.



**NY Power
Authority**

**Canal
Corporation**



**NY Power
Authority**

**Canal
Corporation**

APPLICATION SUMMARY
Expansion Power ("EP")

Company:	Western New York Energy, LLC ("WNY Energy")
Location:	Medina, NY
County:	Orleans County
IOU:	National Grid
Business Activity:	The company is a manufacturer of ethanol used for industrial purposes.
Project Description:	WNY Energy is proposing to diversify its operations beyond the production of fuel ethanol. The project includes expanding into the markets of beverage grade and various industrial grades of alcohol. This includes technical grade ethanol which is used in sanitizer production.
Existing Allocation(s):	5,000 kilowatts ("kW") of Replacement Power ("RP")
Power Request:	1,000 kW of EP
Power Recommended:	700 kW of EP
Job Commitment:	
Base:	47
New:	At least 10 jobs
New Jobs/Power Ratio:	14 jobs/MW
New Jobs - Avg. Wage and Benefits:	\$73,910
Capital Investment:	At least \$17.5 million
Capital Investment/MW:	\$25 million/MW
Other ED Incentives:	Orleans County Industrial Development Agency
Summary:	<p>WNY Energy is proposing to expand its operations into higher grades of alcohol. The company has currently modified operations to supply clients with ethanol used to produce sanitizer amidst the COVID-19 pandemic. This has created new business opportunities and the project would further expand ethanol production to meet the increased demand for sanitizer.</p> <p>The project includes the construction of a new 8,000 square foot addition to the existing facility as well as large-scale machinery and equipment purchases. An allocation of low-cost hydropower, along with additional state support, could incentivize WNY Energy to consider additional expansion opportunities at the Medina facility in the future.</p>

New York Power Authority

Extension Recommendations - RNY Power Allocations for Retention Purposes (Large Businesses, Small Business, and/or NFP Corporations)

Exhibit "5a ii-A"

July 28, 2020

Retention-Based Allocations

Line	Company	City	County	Economic Development Region	IOU	Description	Current kW Amount	Recommended kW Amount	Job Commitments	Capital Investment Commitment (\$)	Contract Term (years)
1	DiCarlo Distributors, Inc.	Holtsville	Suffolk	Long Island	LIPA	Wholesale food distributor	276	276	215	\$1,000,000	7
2	The Nursing Care Center At Medford, Inc.	Medford	Suffolk	Long Island	LIPA	Rehabilitation & healthcare services	296	296	333	\$1,500,000	7
	Long Island Region Sub-totals:						572	572	548	\$2,500,000	
3	Innovative Plastics Corp.	Orangeburg	Rockland	Mid-Hudson	O&R	Manufacturer of thermoformed packaging	570	570	75	\$5,000,000	7
	Mid-Hudson Region Sub-totals:						570	570	75	\$5,000,000	
4	Fordham University	Bronx	Bronx	New York City	CONED	Institution of higher education	1,380	1,380	2,990	\$205,300,000	7
5	The Brooklyn Brewery Corporation	Brooklyn	Kings	New York City	CONED	Brewery for craft beers	86	86	42	\$500,000	7
	New York City Region Sub-totals:						1,466	1,466	3,032	\$205,800,000	
6	Commitment 2000, Inc.	Buffalo	Erie	Western New York	NGRID	Manufacturer of bread products	126	126	63	\$600,000	7
	Western New York Region Sub-totals:						126	126	63	\$600,000	

Totals

2,734	2,734	3,718	\$213,900,000
--------------	--------------	--------------	----------------------

Retention-Based Allocations

Line	Company	City	County	Economic Development Region	IOU	Description	Recommended kW Amount	Final Job Commitments	Final Capital Investment Commitment (\$)	Contract Term (years)
1	D'Addario & Company, Inc.	Farmingdale	Suffolk	Long Island	LIPA	Manufacturer of musical instrument strings	826 ⁽¹⁾	815 ⁽²⁾	\$9,300,000 ⁽³⁾	7

- (1) Represents modified/corrected amount. The customer was previously extended for an RNY Power allocation in the amount of 800 kW. It was determined that the customer needed additional RNY Power, primarily associated with two new buildings, which is the basis of the modification presented herein.
- (2) Represents modified/corrected job commitment amount.
- (3) Represents modified/corrected capital investment commitment amount.

New York Power Authority
Recommendations - RNY Power Allocations for Retention Purposes

Exhibit "5a ii-C"
July 28, 2020

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation	Jobs Retained	Capital Investment (\$)		Contract Term (years)
1	Ancotel USA, LLC	Westbury	Nassau	Long Island	LIPA	Carrier-neutral interconnection facility	436	216	3	\$2,000,000	(1)	7
	Long Island Region Sub-totals:							216	3	\$2,000,000		
2	Wheatfield Gardens, LLC	North Tonawanda	Niagara	Western New York	NGRID	Hydroponic commercial greenhouse	479	236	15	\$5,000,000	(1)	7
	Western New York Region Sub-totals:							236	15	\$5,000,000		

Totals

452	18	\$7,000,000
-----	----	-------------

(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.

New York Power Authority
Recommendations - RNY Power Allocations for Expansion Purposes

Exhibit "5a ii-D"
July 28, 2020

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation (1)	Base Employment (2)	Job Creation Commitment	Project Capital Investment (\$)	Contract Term (years)
1	Cryomech, Inc.	Dewitt	Onondaga	Central New York	NGRID	Manufacturer of cryogenic equipment	674	470	108	15	\$14,000,000	7
	Central New York Region Sub-totals:							470	108	15	\$14,000,000	
2	Ancotel USA, LLC	Westbury	Nassau	Long Island	LIPA	Carrier-neutral interconnection facility	1,110	776	3	17	\$16,280,000	(3) 7
	Long Island Region Sub-totals:							776	0	17	\$16,280,000	
3	Wheatfield Gardens, LLC	North Tonawanda	Niagara	Western New York	NGRID	Hydroponic commercial greenhouse	100	70	15	4	\$1,000,000	(3) 7
	Western New York Region Sub-totals:							70	0	4	\$1,000,000	

Totals

1,316	108	36	\$31,280,000
--------------	------------	-----------	---------------------

- (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) 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.

Retention-Based Allocations

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation	Jobs Retained	Jobs Created	Capital Investment (\$)		Contract Term (years)
1	Simmons Machine Tool Corporation	Menands	Albany	Capital District	NGRID	Manufacturer of railroad maintenance tools	308	150	100	0	\$1,200,000		7
	Capital District Region Sub-totals:							150	100	0	\$1,200,000		
2	Museum of Science & Technology Foundation	Syracuse	Onondaga	Central New York	NGRID	Science & technology museum	304	100	32	0	\$130,000		7
	Central New York Region Sub-totals:							100	32	0	\$130,000		
3	ProAmpac Rochester LLC	Ogden	Monroe	Finger Lakes	RGE	Manufacturer of packaging products	389	190	62	0	\$575,000	(1)	7
	Finger Lakes Region Sub-totals:							190	62	0	\$575,000		
4	Active Retirement Community, Inc.	South Setauket	Suffolk	Long Island	LIPA	Retirement & assisted-living community	880	290	350	0	\$12,000,000	(1)	7
	Long Island Region Sub-totals:							290	350	0	\$12,000,000		

Retention-Based Totals

730	544	0	\$13,905,000
------------	------------	----------	---------------------

Expansion-Based Allocations

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation (3)	Base Employment	Job Creation Commitment	Project Capital Investment (\$)		Contract Term (years)
5	ProAmpac Rochester LLC	Ogden	Monroe	Finger Lakes	RGE	Manufacturer of packaging products	86	40	62	15	\$7,425,000	(1), (2)	7
	Finger Lakes Region Sub-totals:							40	0	15	\$7,425,000		
6	Active Retirement Community, Inc.	South Setauket	Suffolk	Long Island	LIPA	Retirement & assisted-living community	450	150	350	41	\$70,000,000	(1), (2)	7
7	Crown I Enterprises Inc.	Bay Shore	Suffolk	Long Island	LIPA	Food refrigeration & distribution	550	276	130	30	\$4,500,000	(4)	7
	Long Island Region Sub-totals:							426	25	71	\$74,500,000		

Expansion-Based Totals

466	25	86	\$81,925,000
------------	-----------	-----------	---------------------

Retention & Expansion-Based Totals

1,196	569	86	\$95,830,000
--------------	------------	-----------	---------------------

- (1) These applicants are being recommended for both RNY retention and expansion-based allocations.
(2) The number of new jobs committed will be above a base employment level specified in the applicant's retention-based allocation recommendation.
(3) 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.

- (4) This applicant was previously approved for RNY Power allocations. The base employment level refers to the applicant's current retained jobs, most of which are already associated with existing power allocations.

New York Power Authority
ReCharge New York Power Program
Informational Item - Terminate Application/Review Process

Exhibit "5a ii-F"
July 28, 2020

Line	Company	City	County	Economic Development Region	IOU	Description	Reason
1	Jetro Cash and Carry Enterprises, LLC	College Point	Queens	New York City	CONED	Wholesale grocer & foodservice supplier	Applicant has been unresponsive to requests by staff for additional information, preventing a complete analysis of the application.

Line	Criteria Description
1	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;
2	The extent to which a Recharge New York power allocation will result in new capital investment in the state by the applicant;
3	The extent to which a Recharge New York power allocation is consistent with any regional economic development council strategies and priorities;
4	The type and cost of buildings, equipment and facilities to be constructed, enlarged or installed if the applicant were to receive an allocation;
5	The applicant's payroll, salaries, benefits and number of jobs at the facility for which a Recharge New York power allocation is requested;
6	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;
7	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;
8	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;
9	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;
10	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;
11	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
12	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.

Exhibit "5a v-A"
July 28, 2020

Applicants Recommended for an Award of Fund Benefits by the Western NY Proceeds Allocation Board

Line	Business	City	County	Economic Development Region	Project Description	Project Type	Recommended Award Amount	Total Project Cost	Jobs Retained	Jobs Created
1	Change.AI, Inc. dba HiOperator	Buffalo	Erie	Western NY	Expansion	Business Investment	\$230,000	\$1,350,000	0	131
Total:							\$230,000	\$1,350,000	N/A	131

Total Jobs Created & Retained: 131



Western NY Power Proceeds Allocation Board

Western New York Economic Development Fund Recommendation Memo

EXHIBIT 5a v-A-1

Applicant Name:	Change.AI, Inc. DBA HiOperator ("HiOperator")	REDC Region:	Western New York
Project Type:	Business Investment	County:	Erie County
Industry:	Customer Support Services	Locality:	Buffalo
Amount Requested:	\$250,000	Start Date:	July 2020
		Finish Date:	September 2020
RECOMMENDED OFFER			
Recommended Total Award:		\$230,000	
Total Project Cost:		\$1,350,000	
% of Project Cost Recommended:		17%	
PROJECT BUDGET (Proposed by Applicant)			
Use of funds	Amount	Source of Funds	Amount
Construction Buildout	\$880,000	WNY EDF	\$250,000
IT Equipment, Office Furniture	\$350,000	Developer	\$1,000,000
Asbestos Remediation	\$80,000	Company Equity	\$100,000
Demolition	\$40,000		
Total:	\$1,350,000	Total:	\$1,350,000
REGIONAL IMPACT MEASUREMENTS			
Job Commitments:	Applicant will create 131 full time equivalents ("FTE") at the project location over five years.		
Average Salary of Jobs:	\$49,313		
Indirect Jobs Created:	N/A		
Other Impact:			
PROJECT DESCRIPTION (Adapted from Application)			
<p>HiOperator is a third-party provider offering a full stack solution to customer service. The Company uses Application Programming Interface (API) to fully integrate backend processing of customer service requests with human interaction on the front end to ensure a satisfactory transaction. This dramatically reduces service rep training and process times and increases processing accuracy. Integrating and automating the backend also unlocks value and results in higher profit margins.</p> <p>HiOperator is planning to relocate its business operations to the 27th floor of One Seneca Tower to accommodate business growth. The project involves a complete gutting of the space including</p>			



Western NY Power Proceeds Allocation Board

Western New York Economic Development Fund Recommendation Memo

EXHIBIT 5a v-A-1

demolition of the current office infrastructure, new office buildout, the purchase of computers and IT equipment and other expenditures.

The project will enable HiOperator to accommodate growth, become Service Organization Control 2 (SOC 2) and Payment Card Industry (PCI) compliant and add 131 new employees over the next 5 years. Obtaining these digital security credentials would position HiOperator to compete for business from larger enterprises and finance companies.

OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED

ESD	\$		\$
ECIDA			
			\$

PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED

TYPE	AMOUNT	STATUS
------	--------	--------

BASIS FOR RECOMMENDATION

HiOperator has identified a funding gap related to its available debt and equity resources. A funding award would support a 2018 43N award winner that appears to have made a commitment to WNY and proposes to create 131 jobs over the next 5 years. HiOperator strives to hire candidates from disadvantaged backgrounds and provide them advancement in the technology industry. Some of the positions associated with this project will be offered to the area's underemployed and unemployed populations. An award also supports efforts to repurpose One Seneca Tower, the largest building in Buffalo, as a technology and innovation hub.

Support for this project aligns well with WNYREDC strategies and priorities calling for fostering a culture of entrepreneurship, investing in downtowns, and cultivating the WNY talent pool including the unemployed and underemployed.

ANTICIPATED DISBURSEMENT TERMS

Fund Benefits would be used to reimburse the applicant for a portion of IT equipment and office furniture associated with the project. It is anticipated that: (1) funds would be disbursed in arrears in a manner proportionate to the total for eligible expenses; and (2) reimbursement would be made upon presentation to NYPA of invoices and such other documentation acceptable to NYPA verifying such matters as the applicant has incurred eligible expenses of approximately \$1.35M and is compliant with yearly job commitments.

Criteria adapted from the Western NY Power Proceeds Allocation Board's
"Procedures for the Review of Applications for Fund Benefits"

1. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the Regional Economic Development Council ("REDC") having responsibility for the region in which an Eligible Project is located.¹ The Western New York Regional Economic Development Council which is responsible for Eligible Projects in Erie and Niagara Counties Strategies & Priorities are:
 - Promote "Smart Growth" by investing in areas that infrastructure already exists and achieves certain goals, such as: preserving historic buildings; reviving downtowns; reviving main streets; investing in existing neighborhoods; and investing in former industrial sites. A project consistent with Smart Growth will also focus on: enhancing walkability; enhancing multiple modes of transportation; connecting disadvantaged communities to employment clusters; spurring mixed-use private investment in existing communities and preserving/enhancing natural lands and or resources.
 - Promote workforce development by increasing diversity in the labor force, developing and cultivating that includes workers with advancement potential, underemployed, unemployed and special population; align education and skills training to job market for current and future industry needs.
 - Foster entrepreneurship and new business formation and growth. Designing a plan that brings new technologies and/or products to the marketplace, increases new start ups in strategic industries and facilitates the commercialization of products that can lead to job growth in the Region.
 - Increase the industry profile of agriculture in WNY by: creating better access to markets; creating new products; creating new more efficient processes; creating strong regional brands; creating programs that promote careers in agriculture.
 - Utilize Western New York's proximity to Canadian and U.S. population centers to advance economic development in WNY. Bi-national projects will: utilize cross-border planning to create transportation and logistical infrastructure; improve

¹ As provided for in EDL § 189-c(4), criteria 2-15 are adapted from the criteria for eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law § 1005. The specific criteria identified in PAL § 1005(13)(b)(4)-(5) are relevant to power allocations under these programs but do not have any logical application to allocations of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits. Additionally, in accordance with PAL § 1005(13), criteria 13-15 listed herein will only be used in the case of Eligible Projects which are proposed by Applicants as, and determined by the Board to be, "revitalization" projects.

operational relationships; promote the attractiveness of WNY as a hub for global trade.

- Position the WNY region as a global energy hub through new sources of clean energy, energy efficiency and energy efficient transportation.
- Support growth of advanced manufacturing by making research more available to manufacturers to help them innovate.
- Spur growth in the health and life sciences industry through improved commercialization, recruit high profile research talent and reducing the cost burden of healthcare while improving health outcomes.
- Expand the scope of higher education by increasing accessibility to Higher Education for communities that currently have limited access to educational opportunities; better aligning education with the industry needs and creating support structures for start-ups which will assist start-ups with commercialization, business planning, workforce preparation, facilities, etc.
- Grow visitors and visitor spending by raising the profile of WNY as a national and international destination; connect multiple tourist destinations in WNY; improve the profile of the WNY Gateway to the United States.

For more information on the Western New York Regional Economic Development Council please go to <http://regionalcouncils.ny.gov/content/western-new-york>.

2. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the Regional Economic Development Council (“REDC”) having responsibility for the region in which an Eligible Project is located.² The Finger Lakes Regional Economic Development Council which is responsible for Eligible Projects in Orleans and Genesee Counties Strategies & Priorities can be found at: <http://regionalcouncils.ny.gov/content/finger-lakes>.
3. The number of jobs that would be created as a result of an award of Fund Benefits.
4. The applicant’s long term commitment to the region as evidenced the current and/or planned capital investment in applicant’s facilities in the region.
5. The ratio of the number of jobs to be created to the amount of Fund Benefits requested.
6. The types of jobs that would be created, as measured by wage and benefit levels, security and stability of employment.
7. The amount of capital investment, including the type and cost of buildings, equipment and facilities, proposed to be constructed, enlarged or installed.
8. The extent to which an award of Fund Benefits would affect the overall productivity or competitiveness of the applicant and its existing employment.

² As provided for in EDL § 189-c(4), criteria 2-15 are adapted from the criteria for eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law § 1005. The specific criteria identified in PAL § 1005(13)(b)(4)-(5) are relevant to power allocations under these programs but do not have any logical application to allocations of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits. Additionally, in accordance with PAL § 1005(13), criteria 13-15 listed herein will only be used in the case of Eligible Projects which are proposed by Applicants as, and determined by the Board to be, “revitalization” projects.

9. The extent to which an award of Fund Benefits may result in a competitive disadvantage for other business in the State.
 10. The growth potential of the applicant's facilities and the contribution of economic strength to the area in which the applicant's facilities are or would be located.
 11. The extent of the applicant's willingness to satisfy affirmative action goals.
 12. The extent to which an award of Fund Benefits 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.
 13. The impact of an award of Fund Benefits on the operation of any other facilities of the applicant, and on other businesses within the region.
 14. That the business is likely to close, partially close or relocate resulting in the loss of a substantial number of jobs.
 15. That the applicant is an important employer in the community and efforts to revitalize the business are in long-term interests of both employers and the community.
 16. That a reasonable prospect exists that the proposed award of Fund Benefits will enable the applicant to remain competitive and become profitable and preserve jobs for a substantial period of time.
-
-

Applicants Recommended for an Award of Fund Benefits by the NNY Proceeds Allocation Board

Line	Business	City	County	Economic Development Region	Project Description	Project Type	Recommended Award Amount	Total Project Cost	Jobs Retained	Jobs Created
1	In-Law Brewing Company, LLC	Massena	SLC	North Country	Expansion	Business Investment	\$51,000	\$335,000	-	5
Total:							\$51,000	\$335,000	N/A	5

Total Jobs Created & Retained: 5



Northern NY Power Proceeds Allocation Board

Northern New York Economic Development Fund Recommendation Memo

EXHIBIT 5a vi-A-1

Applicant Name:	In-Law Brewing Company, LLC ("ILBC")	REDC Region:	North Country
Project Type:	Business Investment	County:	St. Lawrence
Industry:	Craft Brewery	Locality:	Massena
Amount Requested:	\$51,000	Start Date:	August, 2020
		Finish Date:	May, 2021
RECOMMENDED OFFER			
Recommended Total Award:	\$51,000		
Total Project Cost:	\$335,000		
% of Project Cost Recommended:	15%		
PROJECT BUDGET (Proposed by Applicant)			
Use of funds	Amount	Source of Funds	Amount
Construction	\$175,000	NNYEDF	\$51,000
Brewing Equipment	\$100,000	Bank Loan	\$200,000
Tap Room Furniture & Fixtures	\$20,000	Company Equity	\$48,000
Hard Cost Contingencies	\$17,000	Subordinated Debt (IDALDC)	\$36,000
Supplies & Materials	\$15,000		
Architect Fees	\$8,000		
Total:	\$335,000	Total:	\$335,000
REGIONAL IMPACT MEASUREMENTS			
Job Commitments:	Applicant will create 5 full time equivalents ("FTE") at the project location over seven years.		
Average Salary of Jobs:	\$45,000		
Indirect Jobs Created	n/a		
Other Impact			
PROJECT DESCRIPTION (Adapted from Application)			
<p>In-Law Brewing Company (ILBC) is a Limited Liability Company that opened in November 2017. The Company currently operates out of a 100-year-old dairy barn located in Chase Mills, NY where it produces up to 18 different craft beers. Product is primarily sold through wholesale (70%) distribution to regional bars and restaurants. ILBC continues to experience increased demand for its products and is planning to expand by constructing a 2,800 square foot brewing operation on Route 37 in Massena, NY. The expansion is expected to provide a modern beer manufacturing layout with improved process efficiencies, increase the Company's manufacturing capacity from 7 BBLs (217 gals) to 30 BBLs (930 gals) of beer, allow for expanded distribution from Alexandria Bay, NY to Lake Placid, NY, positively impact regional tourism by drawing Canadian consumers and allow the Applicant to add 5 full time positions over the next 7 years.</p>			



Northern NY Power Proceeds Allocation Board

Northern New York Economic Development Fund Recommendation Memo

EXHIBIT 5a vi-A-1

OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED		
IDAILDC	\$36,000	
PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED		
TYPE	AMOUNT	STATUS
N/A	\$	
BASIS FOR RECOMMENDATION		
<p>The Applicant has identified a funding gap and is seeking an award to support eligible portions of the total project costs. The Project supports regional manufacturing and tourism activity and aligns well with NNYREDC strategies and priorities calling for energizing communities by building on manufacturing growth, leveraging the region's gateway to Canada, nurturing entrepreneurship and stimulating tourism. Lastly, the project supports the creation of 5 jobs over the next seven years.</p>		
ANTICIPATED DISBURSEMENT TERMS		
<p>Fund Benefits would be used to reimburse the applicant for a portion of costs associated with brewing equipment shown above. It is anticipated that funds will be disbursed in arrears and payment will be made upon presentation to NYPA of invoices and such other documentation acceptable to NYPA verifying the applicant has incurred eligible expenses of approximately \$335,000.</p>		



Northern NY Power Proceeds Allocation Board

“EXHIBIT 5a vi-B”

Criteria adapted from the “Board Procedures, and Board Policies Relating to the Review of Applications for Fund Benefits”, adopted by the Northern New York Power Proceeds Allocation Board

1. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the North Country Regional Economic Development Council (“NCREDC”). Such strategies and priorities include the following:
 - Energize our communities by building on growth in the aerospace, transit equipment, defense, biotech, energy, and manufacturing industries
 - Leverage our gateway to Canada, the nation’s largest trading partner, to lead the State in global investment
 - Attract and nurture entrepreneurs through innovation to catalyze the highest per capita rate of small business start-ups and expansions in the state
 - Invest in community development infrastructure that expands opportunities and capacity
 - Innovate effective rural healthcare and education delivery networks
 - Elevate global recognition of the region as one of the special places on the planet to visit, live, work and study
 - Activate tourism as a driver to diversify our economies by creating demand to accelerate private investment
 - Invest in agriculture as we help feed the region and the world
 - Create the greenest energy economy in the state
2. Whether the eligible project would occur in the absence of an award of Fund Benefits.
3. The extent to which an award of Fund Benefits will result in new capital investment in the State by the eligible applicant and the extent of such investment.
4. Other assistance the eligible applicant may receive to support the eligible project.
5. The type and cost of buildings, equipment and facilities to be constructed, enlarged or installed if the eligible applicant were to receive an award of Fund Benefits.
6. The eligible applicant's payroll, salaries, benefits and number of jobs at the eligible project for which an award of Fund Benefits is requested.
7. Where applicable, the number of jobs that will be created or retained within St. Lawrence County and any other parts of the State in relation to the requested award of Fund Benefits, and the extent to which the eligible applicant will agree to commit to creating or retaining such jobs as a condition to receiving an award of Fund Benefits.
8. Whether the eligible applicant is at risk of closing or curtailing facilities or operations in St. Lawrence County and other parts of the State, relocating facilities or operations out of St. Lawrence County and other parts of the State, or losing a significant number of jobs in



Northern NY Power Proceeds Allocation Board

“EXHIBIT 5a vi-B”

St. Lawrence County and other parts of the State, in the absence of an award of Fund Benefits.¹

9. The significance of the eligible project that would receive an award of Fund Benefits to the economy of the area in which such eligible project is located.
10. For new, expanded and/or rehabilitated facilities, the extent to which the eligible applicant will commit to implement or otherwise make tangible investments in energy efficiency measures as a condition to receiving an award of Fund Benefits.²

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

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

Procurement (Services) and Other Contracts – Awards
(For Description of Contracts See "Discussion")

EXHIBIT "5b i-A"
July 28, 2020

<u>Plant Site</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis¹ Contract Type²</u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Expected Expenditures For Life Of Contract</u>
BUSINESS SERVICES - CORPORATE FINANCE	COHNREZNICK CAPITAL MARKET SECURITIES LLC New York, NY (Q19-6713RM)	03/31/20	Provide for financial advisory services for energy projects consulting services	03/30/25	B/P			\$2 million*
						*Note: 8 vendors, \$2M value and 5-year term approved at the March Trustee meeting; CohnReznick was selected but inadvertently left off the award memo; No additional funding is requested		
HUMAN RESOURCES & ADMINISTRATION – HR & ORGANIZATIONAL DEVELOPMENT	Q20-6869SS; 3 Awards 1. CAREER CONCEPTS, INC. dba CCI CONSULTING Blue Bell, PA 2. IMPACT LEARNING & DEVELOPMENT, INC. Greenwich, CT 3. IGNITION COACHING LLC Rye, NY	07/28/20 (on or about)	Provide Professional Coaching services	07/27/23	B/P			\$625,000*
						*Note: represents total aggregate value for a 3-year term with an option for a two-year renewal		
HUMAN RESOURCES & ADMINISTRATION – TOTAL REWARDS	Q20-6911JW; 2 Awards 1. ARNOFF MOVING & STORAGE, INC. Poughkeepsie, NY 2. NORTH AMERICAN VAN LINES, INC. Fort Wayne, IN (4500321367)	07/28/20 (on or about)	Provide Relocation Moving services	07/27/25	B/S			\$350,000*
		07/01/20		06/30/25		\$25,000		
						*Note: represents total aggregate value for a 5-year term including an interim value of \$25,000 for North American Van Lines, Inc.		

♦ **M / WBE:** New York State-certified Minority / Women-owned Business Enterprise (indicated by the ♦ symbol after the Company Name)
1 **Award Basis:** B= Competitive Bid; S= Sole Source; Si= Single Source; C= Competitive Search
2 **Contract Type:** P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; A= Architectural & Engineering Service; L= Legal Service

Procurement (Services) and Other Contracts – Awards
(For Description of Contracts See "Discussion")

EXHIBIT "A"
July 28, 2020

<u>Plant Site</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis¹ Contract Type²</u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Expected Expenditures For Life Of Contract</u>
HUMAN RESOURCES & ADMINISTRATION – TOTAL REWARDS	RDG + PARTNERS CPAs, PLLC –Pittsford, NY (Q20-6915JW)	01/01/21	Provide annual Auditing services of the assets for the Authority's 401k and 457 Plans	12/31/25	B/S	\$25,000		\$125,000*
*Note: represents total for up to 5-year term								
LEGAL AFFAIRS - ENVIRONMENTAL JUSTICE & SUSTAINABILITY	Q20-6895CC; 2 Awards 1. AMRO UNITED CORPORATION dba AMRO FORESTRY Whitney Point, NY 2. APPLIED ECOLOGICAL SERVICES, INC. Brodhead, WI	01/01/21	Provide Landscaping services	12/31/24	B/P			\$800,000*
*Note: represents total aggregate value for a 5-year term								
LEGAL AFFAIRS - ENVIRONMENTAL JUSTICE & SUSTAINABILITY	Q20-68956C; 5 Awards 1. AMRO UNITED CORPORATION dba AMRO FORESTRY Whitney Point, NY 2. APPLIED ECOLOGICAL SERVICES, INC. Brodhead, WI 3. CHA CONSULTING, INC. Albany, NY 4. HADLEY EXHIBITS, INC. Buffalo, NY 5. POLLINATOR PARTNERSHIP San Francisco, CA	01/01/21	Provide Land Management Assessment and Education services	12/31/25	B/P			\$800,000*
*Note: represents total aggregate value for a 5-year term								

♦ **M / WBE:** New York State-certified Minority / Women-owned Business Enterprise (indicated by the ♦ symbol after the Company Name)
1 **Award Basis:** B= Competitive Bid; S= Sole Source; Si= Single Source; C= Competitive Search
2 **Contract Type:** P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; A= Architectural & Engineering Service; L= Legal Service

Procurement (Services) and Other Contracts – Awards
(For Description of Contracts See "Discussion")

EXHIBIT "A"
July 28, 2020

<u>Plant Site</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis¹ Contract Type²</u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Expected Expenditures For Life Of Contract</u>
UTILITY OPERATIONS – FACILITY MANAGEMENT	KINSLEY GROUP, INC. dba KINSLEY POWER SYSTEMS Albany, NY (Q20-6926JM)	08/01/20	Provide Generator / Load Bank Maintenance, Testing and Inspection services for the Centroplex building at the WPO	07/31/25	B/S			\$500,000*
						*Note: represents total for up to 5-year term		
UTILITY OPERATIONS – GENERAL MAINTENANCE	NIAGARA UNIVERSITY Niagara Falls, NY (4500320981)	06/01/20	Provide grounds maintenance and landscaping at the Authority's Niagara Power Project	05/31/25	Si/C	\$88,000		\$466,500*
						*Note: represents total for up to 5-year term including an interim value \$88,000		
UTILITY OPERATIONS - MECHANICAL ENGINEERING	Q20-6916BS; 2 Awards 1. KONECRANES, INC. Henrietta, NY 2. POLLOCK RESEARCH AND DESIGN, INC. dba SIMMERS CRANE DESIGN & SERVICES Salem, OH	07/28/20 (on or about)	Provide On-Call Crane and Hoist Maintenance Repair services for all the Authority's and Canals facilities	07/27/25	B/S			\$9.5 million*
						*Note: represents total aggregate value for a 5-year term		
UTILITY OPERATIONS - PROJECT MANAGEMENT	Q20-6944AP; 2 Awards 1. COMPOSITE TECHNOLOGY & INFRASTRUCTURE LLC Rochester, NY 2. NRC NY ENVIRONMENTAL SERVICES, INC. East Syracuse, NY	07/28/20 (on or about)	Provide for the abatement and painting of the Generator Rotor Spiders for the remaining 13 units at the St. Lawrence -FDR Power Project	07/27/35	B/C			\$5 million *
						*Note: represents total aggregate value 15-year term		

♦ **M / WBE:** New York State-certified Minority / Women-owned Business Enterprise (indicated by the ♦ symbol after the Company Name)
1 Award Basis: B= Competitive Bid; S= Sole Source; Si= Single Source; C= Competitive Search
2 Contract Type: P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; A= Architectural & Engineering Service; L= Legal Service

Procurement (Services) and Other Contracts – Awards
(For Description of Contracts See "Discussion")

EXHIBIT "A"
July 28, 2020

<u>Plant Site</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis¹ Contract Type²</u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Expected Expenditures For Life Of Contract</u>
UTILITY OPERATIONS - PROJECT MANAGEMENT	Q20-6945AP; 2 Awards 1. BOLTTECH MANNINGS, INC. North Versailles, PA 2. NOWAK INDUSTRIAL LLC Cheektowaga, NY	07/28/20 (on or about)	Provide for the pre and post weld heat treatment of the Generator Rotor Spiders for the remaining 13 units at the St. Lawrence -FDR Power Project	07/27/35	B/C			\$4 million *
*Note: represents total aggregate value 15-year term								
UTILITY OPERATIONS - PROJECT MANAGEMENT	Q20-6917KK; 2 Awards 1. DAVINCISKY ENGINEERING AND MANAGEMENT Birmingham, AL 2. MILLER AEROSPACE COMPANY LLC dba MAC AIR Covington, LA	07/28/20 (on or about)	Provide Helicopter Expert Support Services	07/27/25	B/P			\$9 million*
*Note: represents total aggregate value 5-year term								

♦ **M / WBE:** New York State-certified Minority / Women-owned Business Enterprise (indicated by the ♦ symbol after the Company Name)
 1 **Award Basis:** B= Competitive Bid; S= Sole Source; Si= Single Source; C= Competitive Search
 2 **Contract Type:** P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; A= Architectural & Engineering Service; L= Legal Service

Procurement (Services) Contracts – Extensions and/or Additional Funding
(For Description of Contracts See "Discussion")

EXHIBIT "5b i-B"
July 28, 2020

<u>Plant Site/ Bus. Unit</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis¹ Contract Type²</u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Authorized Expenditures For Life Of Contract</u>
HUMAN RESOURCES & ADMINISTRATION- HR & ORGANIZATIONAL DEVELOPMENT	SAP PUBLIC SERVICES, INC. -Newtown Square, PA (4500309449)	05/27/19	Provide Implementation of the MOSAIC (SAP SuccessFactors) Recruiting and Onboarding Cloud Applications	07/21/21	S/P		\$22,137.50	\$108,480*
						*Note: represents total aggregate value for a 2-year and 2-month term including a 1-year and 2-month extension thru July 21, 2021 with interim approval for May 26, 2020 thru July 28, 2020; No additional funding		
INFORMATION TECHNOLOGY - CYBER SECURITY	Q17-6135RM; 3 Awards 1. COGNIZANT TECHNOLOGY SOLUTIONS US CORPORATION Teaneck, NJ 2. DELOITTE CONSULTING LLP Hermitage, TN 3. ERNST & YOUNG LLP Secaucus, NJ	05/2/17	Provide Technology Co-Sourcing consulting services	05/1/22	B/P		\$30.75million	\$39 million*
						*Note: represents total aggregate value for a 5-year term; May 2017 5-year term and \$25M value; March 2020 additional funding \$6M; Additional funding request \$8 million; Total aggregate value \$39 million		
STRATEGIC PLANNING - STRATEGY & CORPORATE DEVELOPMENT	KENT JOHNSON dba CAMP ROCKAWAY LLC Forest Hills, NY (4500318463)	02/28/20	Provide continuation services to the camping pilot along the NYS Canal System, under the Reimagine the Canals/Empire Line initiative	09/6/2023	B/S			\$0.00*
						*Note: represents total for 3-year and 6+-month term, including a 3-year extension from September 7, 2020 thru September 6, 2023; No additional funding		
UTILITY OPERATIONS – PROJECT MANAGEMENT	BERGMANN ASSOCIATES, ARCHIECTS, ENGINEERS, LANDSCAPE ARCHITECTS & SURVEYORS D.P.C. Rochester, NY (4500301879)	09/28/18	Conduct assessment for the Robert Moses Superstructure Bridge Replacement at the Niagara Power Plant	09/27/21	B/P		\$ 469,777	\$711,100*
						*Note: represents total for 3-year term, including a one-year extension thru September 27, 2021; No additional funding		

♦ **M / WBE:** New York State-certified Minority / Women-owned Business Enterprise (indicated by the ♦ symbol after the Company Name)
1 Award Basis: B= Competitive Bid; C= Competitive Search; S= Sole Source; Si = Single Source
2 Contract Type: P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; L= Legal Service

Procurement (Services) Contracts – Extensions and/or Additional Funding
(For Description of Contracts See "Discussion")

EXHIBIT "B"
July 28, 2020

<u>Plant Site/ Bus. Unit</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis¹ Contract Type²</u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Authorized Expenditures For Life Of Contract</u>
UTILITY OPERATIONS – PROJECT MANAGEMENT	HATCH ASSOCIATES CONSULTANTS, INC. Amherst, NY (4500313097)	09/01/19	Provide for the optimization of the new flow control program for the Niagara AGC Improvements project	08/31/21	B/P		\$ 139,000	\$479,000*
						*Note: represents total for 2-year term, including a one-year extension thru August 31, 2021; No additional funding		

♦ **M / WBE:** New York State-certified Minority / Women-owned Business Enterprise (indicated by the ♦ symbol after the Company Name)
1 **Award Basis:** B= Competitive Bid; C= Competitive Search; S= Sole Source; Si = Single Source
2 **Contract Type:** P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; L= Legal Service