



**MINUTES OF THE JOINT MEETING  
OF THE FINANCE and RISK COMMITTEE  
September 21, 2021**

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Minutes of the joint meeting of the New York Power Authority and Canal Corporation's Finance and Risk Committee held via videoconference at approximately 8:35 a.m.

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

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

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**Also in attendance were:**

Gil Quiniones	President and Chief Executive Officer
Justin Driscoll	Executive Vice President and General Counsel
Adam Barsky	Executive Vice President and Chief Financial Officer
Joseph Kessler	Executive Vice President and Chief Operating Officer
Kristine Pizzo	Executive Vice President and Chief Human Resources & Administrative Officer
Sarah Salati	Executive Vice President and Chief Commercial Officer
Phil Toia	President – NYPA Development
David Mellen	Regional Manager - Canals
Daniella Piper	Regional Manager and CTO
Saul Rojas	Regional Manager – Site Administration - SENY
Yves Noel	Senior Vice President and Chief Strategy Officer
Robert Piascik	Senior Vice President and Chief Information & Technology Officer
Patricia Lombardi	Senior Vice President – Product Delivery
Scott Tetenman	Senior Vice President – Finance
Karen Delince	Vice President and Corporate Secretary
Adrienne Lotto Walker	Vice President and Chief Risk & Resilience Officer
Andrew Boulais	Vice President & Construction Management
John Canale	Vice President – Strategic Supply Management
Steven Kalashian	Vice President – Human Resources & Organizational Development
Eric Meyers	Vice President – Chief Information Security Officer
Anne Reasoner	Vice President – Budgets and Business Controls
Andy Boulais	Acting Vice President – Project Management
Thakur Sundeep	Controller
Earl Faunlagui	Senior Director – Market & Commodities Risk
Christopher Fry	Director – Business Development
Kerry-Jane King	Director – Sustainability
James Levine	Assistant General Counsel – Finance and Bonds
Steven Weiner	Senior Director – OM & Capital Budgets
Lawrence Mallory	Senior Director – Security & Crisis Management
Randy Crissman	Senior Reliability & Resilience Specialist
Thomas McDonald	Manager – Waterways Dam Safety
Carley Hume	Deputy Chief of Staff
Christopher Vitale	Finance Performance & Reporting Manager
Richard Goldsmith	Finance Project Manager
Mary Cahill	Manager – Executive Office
Lorna Johnson	Senior Associate Corporate Secretary
Sheila Quatrocci	Associate Corporate Secretary

**September 21, 2021**

Andrea Kelli Higgs  
Michele Stockwell  
Randy Kreuz

Associate Corporate Secretary  
Project Coordinator – Executive Office  
Consultant – Customer Care Network

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

**Introduction**

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

1. **Adoption of the September 21, 2021 Proposed Meeting Agenda**

On motion made by member Dennis Trainor and seconded by member Eugene Nicandri, the agenda for the meeting was adopted, as amended.

**Conflicts of Interest**

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

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

***“Mr. Chairman, I move that the Committee conduct an executive session to discuss the financial and credit history of a particular corporation pursuant to Section 105 of the Public Officers Law.”*** On motion made by member Dennis Trainor and seconded by member John Koelmel, the members conducted an executive session.

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

***“I move that the meeting resume in open session.”*** On motion made by member Michael Balboni and seconded by member Dennis Trainor, the meeting resumed in open session.

Chairperson McKibben said no votes were taken during the executive session.



## **DISCUSSION AGENDA**

### **a. Financial Operations**

#### **i. Chief Risk & Resilience Officer Report**

Ms. Adrienne Lotto Walker, Chief Risk & Resilience Officer, provided an update on NYPA's Climate Resilience and Adaptation Study, which is in partnership with Argonne National Laboratory, Electric Power Research Institute ("EPRI") and Columbia University, to the Committee (Exhibit "4a i-A"). She said that climate continues to impact the state, most recently, hurricane Henri; however, it had no significant impact on NYPA or Canals' infrastructure.

#### **Climate Resilience and Adaption Study:**

##### **Project Drivers and Participants**

The project drivers are NYPA's goals on sustainability, the Climate Leader and Community Protection Act ("CLCPA"), and others.

The Study is a 14–16 month project and started approximately two months ago. Based on its expertise on climate science, Argonne National Laboratory will lead the climate projection and infrastructure risk and resilience analysis; EPRI will provide subject matter expertise and insight assumptions, and challenge some of the lessons learned in the report; and Columbia University use their climate experts to provide independent insight on the reviews and findings.

##### **Project Overview**

The Study will be done in three parts. Part 1 will look at Local-Scale Climate Impacts, i.e., understanding the climate in the State of New York, including inland precipitation flooding, coastal flooding, winter storms, ice changes in extreme temperature; what has occurred in the past; and also understanding the atmosphere of science, today, and projecting it forward into 2040 and 2050 models. Part 2, Infrastructure Risk & Resilience Analysis, overlying NYPA infrastructure and understanding the impacts of extreme weather conditions; and Part 3, Adaptation Options Analysis, which is understanding NYPA's options from both a capital project perspective and planning to secure and ensure that NYPA's infrastructure is resilient into the future.

ii. **Chief Financial Officer Report**

Mr. Adam Barsky, Executive Vice President and Chief Financial Officer, provided highlights of the financial report to the Committee (Exhibit “4a ii-A”).

**Year-to-Date Actuals through July 31, 2021**

- Net Income was \$43 million; the budget was \$41 million. This is ahead of the Budget Plan.
- EBIDA is tracking \$4 million ahead of the Budget Plan. This is due mainly to the fact that Transmission revenues are doing better than originally forecasted, offsetting any decreases in Generation or Non-Utility.
- Expenses are tracking slightly below the original Budget Plan.

**Full-Year Forecast (January – December 2021)**

- Net Income at the end of the year is projected to be approximately \$52 million against the Budget Plan of \$41 million. The forecast is trending ahead of the Budget Plan.

Mr. Barsky ended that further updates will be provided the members at the next meeting.

iii. **Release of Funds in Support of the New York State Canal Corporation**

The President and Chief Executive Officer submitted the following report:

**"SUMMARY"**

The Trustees will be requested at their October 2021 meeting to authorize the release of an additional up to \$22.9 million in funding to the New York State Canal Corporation ('Canal Corporation') to support the operations of the Canal Corporation in calendar year 2021. The amount requested is 25% of the Canal Corporation's 2021 O&M Budget. The Trustees have previously authorized the release of \$68.7 million to support the operations of the Canal Corporation for calendar year 2021.

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

**BACKGROUND**

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

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

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

**DISCUSSION**

With this authorization, the Trustees will have authorized the release of a cumulative \$91.6 million, an amount equal to 100% of the Canal Corporation's 2021 O&M Budget.

Staff has reviewed the effect of releasing up to an additional \$22.9 million in funding at this time on the Authority's expected financial position and reserve requirements. In accordance with the Board's Policy Statement adopted May 24, 2011, staff calculated the impact of this release, together with the last 12 months releases including (i) the release of \$30 million in Recharge New York Discounts for 2020, (ii) the release of up to \$91.0 million in Canal-related operating expenses for 2020, (iii) the release of up to \$2 million in Western NY Power Proceeds net earnings, and (iv) the release of up to \$1 million in Northern NY Power proceeds net earnings, on the Authority's debt service coverage and determined it

would not fall below the 2.0 reference level. Based on the Authority's Four-Year Budget and Financial Plan, the 2.0 reference point level is forecasted to be met at each year-end of the forecast period 2021-2024. Given the current financial condition of the Authority, its estimated future revenues, operating expenses, debt service and reserve requirements, staff is of the view that it will be feasible for the Authority to release such amounts from the trust estate created by the Bond Resolution consistent with the terms thereof.

#### FISCAL INFORMATION

Staff has determined that sufficient funds are available in the Operating Fund to release an additional up to \$22.9 million in funding to support the operation of the Canal Corporation in calendar year 2021. Staff has further determined that the amounts presently held in reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority's Bond Resolution and that such Authority funds are not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's Bond Resolution.

The expenses associated with the operations of the Canal Corporation for calendar year 2021 were included in the Canal Corporation's 2021 O&M Budget and the Authority's 2021 Budget.

#### RECOMMENDATION

The Executive Vice President and Chief Financial Officer requests that the Finance and Risk Committee recommend that the Trustees authorize the release of an additional up to \$22.9 million in funding to the Canal Corporation to support the operations of the Canal Corporation in calendar year 2021. The Executive Vice President and Chief Financial Officer further recommends that the Trustees affirm that such release is feasible and advisable, that the amounts presently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority's Bond Resolution, and that the amount of up to \$22.9 million is not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's Bond Resolution.

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

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

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

**RESOLVED, That the Finance and Risk Committee recommends that the Trustees authorize the release of an additional up to \$22.9 million in funding to the Canal Corporation to support operations of the Canal Corporation in calendar year 2021, as discussed in the foregoing report of the President and Chief Executive Officer; and be it further**

**RESOLVED, That the Finance and Risk Committee recommends that the Trustees affirm the amounts presently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority's Bond Resolution, that the amount of up to \$22.9 million in funding as described in the foregoing report is not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's**

**General Resolution Authorizing Revenue Obligations, as amended and supplemented, and that the release of such amount is feasible and advisable; and be it further**

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

**RESOLVED, That the Finance and Risk Committee recommends that the Trustees affirm that the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer, the Executive Vice President and General Counsel, the Executive Vice President and Chief Financial Officer, the Corporate Secretary, the Treasurer and all other officers of the Authority be, and each of them hereby is, authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents that they, or any of them, may deem necessary or advisable to effectuate the foregoing resolution, subject to approval as to the form thereof by the Executive Vice President and General Counsel.**

**b. Utility Operations**

**i. Y49 Transmission Line – Nassau Segment Reconductoring Project – Capital Expenditure Authorization Request and Contract Award**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

The Trustees will be requested at their October 2021 meeting to authorize capital expenditures in the amount of \$139,730,600 for the Y49 Transmission Line – Nassau Segment Reconductoring Project ('Project'). The full project authorization, in the amount \$141,730,600, includes \$2 million previously approved by the President and Chief Executive Officer.

Additionally, approval of a 10-year, \$38,000,000 Value Contract to The Okonite Company of Patterson, NJ, for High-Pressure Fluid Filled ('HPFF') Cable will be requested in support of the Project.

The Trustees is also being requested to approve interim approval in the amount of \$27,120,800 to secure copper to manufacture the HPFF cable based on current metal market indexes in order to maintain project schedule through September 30, 2021.

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

**BACKGROUND**

The Authority's Guidelines for Procurement Contracts and Expenditure Authorization Procedures require the Trustees' approval for non-personal services and equipment contracts in excess of \$10 million. Additionally, in accordance with the Authority's Capital Planning and Budgeting Procedures, capital expenditures in excess of \$10,000,000 require Trustee approval.

The Long Island Sound Cable (Y49) underground transmission cable traverses Westchester County, the Long Island Sound, and Nassau County, delivering 600 MW of power from upstate regions to Long Island communities. The circuit was commissioned in 1991 and throughout its near 30-year operating history has seen minimal investment outside of normal operational, maintenance, and emergent expenditures. Given the history of HPFF cable faults seen within the past 12 years, an effort will be put into place to mitigate future faults by reconductoring the Nassau segment from East Garden City Substation to South Transition Station and to identify solutions to other pre-existing equipment conditions.

**DISCUSSION**

The Project's first priority will consist of the reconductoring of the Y49 cable segment in Nassau County, approximately 10 miles from Port Washington to East Garden City, to alleviate the risk of cable faults. In addition to the reconductoring will be enhancement to the cable system ancillary cable components and substation equipment, including upgrades to steel-pipe protection, fiber-optic replacements, manhole refurbishment, replacement or refurbishment of the oil-pump plants at two substation locations on the Nassau segment.

Pursuant to Section §2879 of Public Authority's Law (PAL), the Authority issued a Request for Proposal ('RFP') for No. Q21-7196AP for 345 KV HPFF Pipe Type Cable via Ariba e-sourcing which was advertised in the New York State *Contract Reporter* on June 29, 2021. Eight (8) supplier(s) were listed as having been invited to, or requested to participate in the Ariba Event. On July 21, 2021 one proposal was received electronically via Ariba and was evaluated, as further set forth in this Award Recommendation document. The highly specialized specification of the design, manufacture, furnish, test and deliver was determined to be the reason for the one submittal turnout.

SUPPLIER	M/W OR SDVOB OR NYSSBE	Un-evaluated Price	Evaluated Negotiated Price
The Okonite Company Inc	NA	\$27,100,800	\$ 27,120,800

The project cost, inclusive of the current capital expenditure authorization request, is comprised of the following:

Preliminary Engineering/Design	\$ 3,540,900
Procurement	\$ 37,301,900
Construction	\$ 72,397,800
Project Closeout	\$ 570,200
Authority Direct and Indirect Expenses	<u>\$ 27,919,800</u>
<b>TOTAL</b>	<b>\$ 141,730,600</b>

#### FISCAL INFORMATION

The proposed spending for this Project has been included in the 2021 Capital Budget and will be included in the Four-Year Capital plan, moving forward. Payment associated with this Project will be made from the Authority's Capital Fund. Project cash expenditure shall be limited to \$20,000,000, but commitment up to \$30,000,000 to facilitate cable procurement until cost recovery mechanisms are secured in accordance with applicable New York Independent Service Operator, Inc. ("NYISO") tariff requirements.

#### RECOMMENDATION

The Senior Vice President – Project delivery and the Vice President – Project and Construction Management requests that the Finance and Risk Committee recommend that the Trustees approve capital expenditures in the amount of \$139,730,600 for the Y49 Transmission Line – Nassau Segment Reconductoring Project at their October 2021 meeting.

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

*Mr. Andrew Boulais, Vice President of Project and Construction Management, provided highlights of staff's recommendation to the Committee.*

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

**RESOLVED, That the Finance and Risk Committee recommends that the Trustees approve, pursuant to the Authority's Capital Planning and Budgeting Procedures, capital expenditures in the amount of \$139,730,600 for implementation of the Y49 Transmission Line – Nassau Segment Reconductoring Project in accordance with, and as recommended in, the foregoing report of the President and Chief Executive Officer;**

<u>Capital</u>	<u>Expenditure Authorization</u>
Y49 Transmission Line Nassau Segment Reconductoring	<u>\$139,730,600</u>

AND BE IT FURTHER RESOLVED, That the Finance and Risk Committee recommends that, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the Trustees approve a 10-year contract award to The Okonite Company in the amount of \$38,000,000, for the aforementioned project;

<u>Contractor</u>	<u>Contract Approval</u>
The Okonite Company Patterson, NJ	<u>\$38,000,000</u>
RFP #Q21-7196AP	



ii. **In-City Gas Turbine Operation and Maintenance – Contract Award**

The President and Chief Executive Officer submitted the following report:

**“SUMMARY**

The Trustees will be requested at their October 2021 meeting to approve the award of a competitively bid contract to NAES Corporation, Issaquah, Washington, in the amount of \$35,000,000, in support of the In-City Gas Turbine Operation and Maintenance, for a five-year term (with the right to renew on an annual basis each year beyond the initial five years, for up to five additional years), effective January 1, 2022 through December 31, 2026.

The Finance and Risk Committee is requested to recommend to the Trustees the approval of award in the amount of \$35,000,000 for the implementation of the Project.

**BACKGROUND**

Section 2879 of the Public Authorities Law and the Authority's Guidelines for Procurement Contracts require the Trustees' approval for material contracts involving services to be rendered for a period of more than one year. Additionally, in accordance with the Authority's Capital Planning and Budgeting Procedures, contract awards more than \$10,000,000 require Trustee approval.

The Authority owns seven (7) Small Clean Power Plant ('SCPP') facilities located strategically throughout the New York City region and Long Island. Under the Request for Proposal ('RFP'), the Contractor will perform all operations and maintenance support services for the Authority's SCPPs which contain 10 General Electric LM6000 Gas Turbines and related plant equipment at the following six (6) locations: Hellgate, Harlem River, Vernon, Gowanus, Kent, and Pouch. The Brentwood SCPP, located in Long Island, is not included as part of this RFP. The SCPPs are designed for remote operation by the Contractor who maintains operational control and provides operational and maintenance services, which includes, but is not limited to, providing management and union personnel, vehicles, tooling, and regulatory compliance support. NAES Corporation's (the current contract holder) term will expire on December 31, 2021. The new five-year contract will become effective January 1, 2022.

**DISCUSSION**

Pursuant to Section §2879 of Public Authority's Law ('PAL'), the Authority issued RFP No. Q21-7126BSR for In-City Gas Turbine Operation and Maintenance via Ariba e-sourcing which was advertised in the New York State *Contract Reporter* on April 22, 2021. Seven (7) suppliers were listed as having been invited to, or requested to, participate in the Ariba Event. One proposal was received electronically via Ariba and was evaluated, as further set forth in the Award Recommendation documents.

NYPA originally issued RFP No. Q21-7126BS, with a bid due date of March 30, 2021. Only one proposal was submitted. Strategic Supply Management ('SSM') followed up with invited vendors to understand the rationale behind their lack of participation in the RFP. Upon reviewing the feedback, SSM and the Business Unit created a new RFP (Q21-7126BSR - rebid) which addressed vendor concerns regarding specific requirements of the Scope-of-Work and the use of local union labor. After performing due diligence in issuing the rebid, only one proposal was received.

The Evaluation Committee included members from Southeast New York ('SENY') Site Administration and Strategic Supply Management.

The proposal was evaluated on the basis of relevant criteria including, but not limited to cost, technical compliance, quality assurance and quality control, prior experience and support to the project delivery schedule.

The proposals were reviewed for compliance with Executive Order ('EO') 13920 'Securing the United States Bulk Power System.' After reviewing this EO, it was considered not applicable to this contract.

Requirements for Minority and Women Business Enterprise and Service-Disabled Veteran-Owned Business are waived by the Supplier Diversity Group.

The Committee concluded that NAES Corporation submitted the Best Value proposal to the Authority that met the Authority's technical requirements, contractual terms and conditions and project delivery schedule.

#### FISCAL INFORMATION

Funding and payments associated with this contract will be budgeted and accounted for under the In-City O&M Recurring Budget.

#### RECOMMENDATION

The Senior Vice President – Power Supply and the Regional Manager – Site Administration – SENY, requests that the Finance Committee recommend that the Trustees approve the contract award to NAES Corporation for a total authorization amount of \$35,000,000 for the In-City Gas Turbine Operation and Maintenance.

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

*Mr. Saul Rojas, Regional Manager – Site Administration - SENY, provided highlights of staff's recommendation to the Committee.*

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

**RESOLVED, That the Finance and Risk Committee recommends that the Trustees, pursuant to the Authority's Capital Planning and Budgeting Procedures, approve contract award in the amount of \$35,000,000 for the In-City Gas Turbine Operation and Maintenance 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 In-City O&M Recurring Funds to finance the costs of the In-City Gas Turbine Operation and Maintenance.**

<u>In-City O&amp;M Recurring Budget</u>	<u>Expenditure Authorization</u>
NAES Corporation Issaquah, WA	<u>\$35,000,000</u>
Q21-7126BSR	

**c. Commercial Operations**

**i. New York City Solar Photovoltaic and Energy Storage Power Purchase Agreements**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

The Trustees will be requested at their October 2021 meeting to authorize the execution of power purchase agreements ('PPA'), described below, with Engie North America, ('Engie') and Ameresco, Inc ('Ameresco'), and the City of New York ('City' or 'NYC'). The estimated annual cost of the PPAs will be approximately \$11,000,000 per year up to a term of 20 years (\$220,000,000 total) based on a preliminary budget analysis, with an option for a 5-year renewal term. These costs, plus an administrative fee, will be directly billed to the City under the resale PPA.

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

**BACKGROUND**

Trustee 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 PPAs with Engie, and Ameresco for the purchase of energy and attributes from solar photovoltaic ('PV') and energy storage systems ('ESS'), and, in turn, selling that energy and attributes to NYC under a separate PPA.

New York State, through the Climate Leadership and Community Protection Act ('CLCPA'), 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. The Authority has been directed to assist public entities to lead by example. New York City established a Roadmap to reduce greenhouse gases ('GHG') eighty percent by 2050 ('80x50') and set a target of implementing 100 MW of solar PV systems on City owned properties by 2025. To support the initiative, the City engaged the Authority to procure commercial-scale solar PV and energy storage systems to be installed at fifty-three (53) of their facilities belonging to NYC Department of Education ('DOE') and NYC Department of Environmental Protection ('DEP').

In support of the State's and the City's goals, the Trustees are requested to authorize the execution of PPAs with Engie, Ameresco, and New York City, enabling the completion of the portfolio of projects.

**DISCUSSION**

The Authority's Clean Energy Advisory Services 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 NYC Department of Citywide Administrative Services ('DCAS') to solicit proposals for solar PV and energy storage systems at forty-seven (47) DOE and six (6) DEP facilities owned by the City including the Wards Island Wastewater Resource Recovery Facility, and support the City's sustainability and renewable energy goals. These systems will provide the City with approximately 29,566 kilowatts of solar PV capacity and 6,540 kilowatts of energy storage capacity, which are expected to generate more than 33,669,305 kilowatt hours of electricity per year, equating to ~30% of the City's 100 MW of solar PV by 2025 goal. Using the energy storage systems, the City's facilities will be able to reduce their local demand costs and potentially be able to participate in demand response and other

energy usage optimization programs, as well as provide resiliency benefits during electric system outages or emergency situations. The final system size and configuration, and the term of the PPA may change these estimates and, accordingly, change the actual annual cost of the PPA agreements. However, because the Authority's risk is mitigated through resale PPA agreements, the final estimates are not as determinative.

On June 3, 2020, Request for Proposal ('RFP') Q20-6973SR 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 resale PPA structure for the City. 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 products and attributes produced by the solar PV and energy storage systems. Those products and attributes are then purchased by the City from the Authority under substantially like terms and conditions in the resale PPA.

In response to the invitation to bid, on August 21, 2020, proposals were received from eight (8) firms. The proposals were reviewed by an evaluation committee comprised of Clean Energy Advisory Services ('CEAS'), Strategic Supply Management, Legal Affairs, and Corporate Finance along with members of NYC DCAS. At the conclusion of the evaluation process, CEAS requested Engie and Ameresco be released to begin the design development process of the solar PV and energy storage system at DOE and DEP sites, respectively. In concurrence with that request granted on December 24, 2020, Trustee approval is now being sought to proceed with PPA execution because of a successful design development phase.

#### FISCAL INFORMATION

The estimated maximum annual cost of the PPA with Engie and Ameresco will be \$11,000,000 per year for up to a 20-year term (\$220,000,000 total) based on a preliminary budget analysis, with an option for a 5-year renewal term. Cost is calculated based on best estimates available at this point and actual cost may vary depending on project as built design and total number of sites. These costs, plus an administrative fee, will be directly billed to the City under a separate resale PPA. Additionally, the Authority will receive funds sufficient to fully recover cost incurred by CEAS for its services rendered throughout the procurement and implementation processes.

#### RECOMMENDATION

The Executive Vice President and Chief Commercial Officer, the Vice President of New York Energy Manager, and the Vice President of Grid Flexibility request that the Finance and Risk Committee recommends that the Trustees approve the request to execute PPAs with Engie, Ameresco and the City, for an estimated annual cost of \$11,000,000 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."

*Ms. Sarah Salati, Executive Vice President and Chief Commercial Officer, provided highlights of staff's recommendation to the Committee.*

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

**RESOLVED, That the Finance and Risk Committee recommends that the Trustees authorize the execution of resale power purchase agreements with Engie North America, Ameresco Inc, and the City of New York, for an estimated annual amount of**

approximately \$11,000,000 for up to a term of 20 years, with an option to renew, as described in the foregoing report of the President and Chief Executive Officer.

**d. Human Resources**

**i. Authority-Wide Contingent Staffing – Multiple Contract Awards**

The President and Chief Executive Officer submitted the following report:

**“SUMMARY**

The Trustees will be requested at their October 2021 meeting to approve the award of Authority-wide Human Resources ('HR') Contingent Staffing contracts to provide temporary technical staffing services in the cumulative value of \$24,000,000 to the following eleven (11) vendors: Allied Staff Augmentation Partners, Inc., Ampcus Inc., Cogent Infotech Inc., Eclaro International Inc., Infojini Inc., LanceSoft Inc., Monroe Staffing Services Inc., Reinhard Madison Approach Staffing Inc., Trigyn Inc., Trifacta, Inc., and Vtech Solutions.

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

**BACKGROUND**

Section 2879 of the Public Authorities Law and the Authority's Guidelines for Procurement Contracts require Trustee approval of procurement contracts involving services to be rendered for a period of more than one year. Also, in accordance with the Authority's Expenditure Authorization Procedures, the award of personal services contracts more than \$10,000,000 require Trustee approval.

This Award replaces the expiring HR contracts effective 2016 to September 2021. NYPA has an immediate need to utilize these new staffing contracts as the current contracts are approaching expiration and NYPA needs to continue to close resource gaps related to attrition and support its workforce growth demand. This increase in demand is driven by digital operations, innovation, and the Authority's VISION2030 Strategy and its robust strategic initiatives.

**DISCUSSION**

The Authority issued Request for Proposal ('RFP') No. Q21-7161JW, which was advertised in the *NYS Contract Reporter* on May 18, 2021.

During January and February of 2020, the Evaluation Committee which comprised of Contingent Workforce Program Management reviewed 45 proposals. Bids were evaluated on the quality of proposal, recruitment staff and their qualifications, industry experience, recruitment process, strengths, unique characteristics, prior performance if applicable, and acceptance of the Authority's commercial terms and conditions. The Minority/Women-Owned Business Enterprise ('M/WBE') requirements for these services were waived by the Supplier Diversity Group.

The areas that contingent workers will be assigned include, but are not limited to, the following departments and/or areas of expertise: Administrative and Project Coordination, Audit, Risk Management, Business Process Review, Engineering, Project Management, Communications, Finance, Budget, Accounting, Treasury, Human Resources, Knowledge Management, Strategic Supply Management or procurement and other specialties.

Eleven (11) firms were selected as qualified vendors to provide temporary technical staffing services Authority-wide. The selected vendors have proven to be high performing in the current pools and additional ones were added for quality, reasonable rates and markups, and the understanding of service obligations.

FISCAL INFORMATION

Payments associated with this request will be made from the Authority's Capital Fund.

RECOMMENDATION

The Vice President of Human Resources and Organizational Development requests that the Finance and Risk Committee recommends that the Trustees approve the Award recommendation of continued Authority-wide contingent staffing service agreements.

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

*Mr. Steven Kalashian, Vice President of Human Resources and Organizational Development, provided highlights of staff's recommendation to the Committee.*

On motion made by member Dennis Trainor and seconded by member John Koelmel, the following resolution, as recommended 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 Authority-wide contingent staffing service agreements for a five-year term, in the amount of \$24,000,000, to Allied Staff Augmentation Partners, Inc., Ampcus Inc., Cogent Infotech Inc., Eclaro International Inc., Infojini Inc., LanceSoft Inc., Monroe Staffing Services Inc., Reinhard Madison Approach Staffing Inc., Trigyn Inc., Trifacta, Inc., and Vtech Solutions as recommended in the foregoing report of the President and Chief Executive Officer; and be it further**

**RESOLVED, That the Finance Committee recommends that the Trustees approve the Authority-wide personal service contracts for contingent staffing in the amount and for the purpose listed below:**

<u>Contract Award</u>	<u>Contract Award Value</u>
Multiple Vendors:	<u>\$ 24,000,000</u>
Allied Staff Augmentation Partners, Inc.	
Ampcus Inc.	
Cogent Infotech Inc.	
Eclaro International Inc.	
Infojini Inc.	
LanceSoft Inc.	
Monroe Staffing	
Reinhard Madison Approach Staffing Inc.	
Trigyn Inc.	
Trifacta, Inc.	
Vtech Solutions	

Q21-7161JW

**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.**



**e. Strategy & Corporate Development**

**i. VISION2030 Foundational Pillar Update – Environmental, Social, and Governance**

Ms. Kerry-Jane King, Director of Sustainability, provided an update on the Environmental, Social and Governance (“ESG”) VISION2030 Foundational Pillar (Exhibit “4e i-A”).

The three ESG tactics identified in VISION2030 are:

**1) Bring best-in-class ambitions to life and fully integrate ESG into NYPA’s DNA**

An ESG governance structure has been established with Executive Management Committee and Board oversight for ESG, and the Sustainability Department (“Sustainability”) is revising the company’s sustainability policy to reflect the broader ESG scope.

As the Sustainability Department moves forward with integrated reporting, it will continue to integrate ESG through policies, procedures and controls.

Other efforts to embed ESG include ramping-up internal communications and external stakeholder engagements including industry conferences, workshops, and panel events, and increasing employee engagement with Sustainable U, the climate science training program for employees which addresses climate change and climate change solutions.

**2) Expand the sustainability function to encompass strategic guidance, oversight and reporting**

The Sustainability Department is building out the sustainability function and increasing resourcing and headcount to provide strategic guidance for ESG issues across NYPA. This area of the Department’s work will continue to grow as the group moves forward with its integrated reporting efforts.

The Department is also expanding “Lead by Example” programs to accelerate adoption of sustainability practices. Various assessments are planned or underway across key areas, including BuildSmart 2025, vehicle fleet electrification, materials management and waste reduction, and habitat restoration and biodiversity, and supply chain sustainability. The Sustainability Department is also working with departments on other initiatives such as the climate resilience assessment, and is expanding its greenhouse gas accounting efforts.

**3) Demonstrate our commitment by issuing a sustainability plan and annual sustainability reports**

In April, NYPA issued the 2021-2025 Sustainability Plan and the 2020 Sustainability Report. These were both aligned with the reporting and disclosure standards of the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate Related Financial Disclosures (TCFD).

NYPA is now embarking on its integrated reporting journey.

**Adopting the Integrated Reporting Framework to integrate ESG and Communicate Value**

NYPA is building on the Plan and Report and expanding its efforts by adopting the Integrated Reporting framework. In 2023, NYPA will issue its first annual report that accords with the Integrated Reporting (“IR”) framework, combining NYPA’s annual report and sustainability report into one report.

IR is an internationally recognized framework that integrates sustainability and financial reporting. It is designed to be used with sustainability and financial reporting standards, and to build connectivity between ESG and financial disclosures. NYPA's IR report, like the Sustainability Report, will align with SASB and other standards.

The IR framework serves as both a performance management and a reporting tool. It promotes integrated thinking and decision-making, with a focus on creating value for the company, its stakeholders, and society over the short- and long-term. It also provides a comprehensive approach to reporting, bringing together financial and ESG disclosures to address the needs of all stakeholders, including employees, customers, suppliers, local communities, and financial stakeholders.

### **Adopting the IR Framework to Integrate ESG and communicate value**

There is increased momentum towards impact-driven sustainability management and value creation. The IR framework identifies a broad base of capitals, or resources and relationships, from which companies create value. These range from financial and intellectual, to social and relationship, and natural. The framework is designed to build connectivity between these capitals to help manage risks and tradeoffs and identify opportunities to create value. It is also set up to better communicate the value of the business and its stewardship of these capitals across ESG issues.

Sustainability is currently conducting a Gap Analysis and is focusing on those capitals (financial, intellectual and manufactured) that are not directly addressed in the Sustainability Plan and Report.

Sustainability is also benchmarking IR in the utility industry. By year's end the group will have established the IR approach and identified the IR requirements, including the report scope, metrics, processes and controls.

In January, Sustainability will begin collecting data for the 2022 report to be issued in 2023. To ensure accuracy and completeness, NYPA's goal is to have the IR report audited once it is completed.

**CONSENT AGENDA:**

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

**a. Utility Operations**

**i. Transmission Life Extension and Modernization Program –  
Massena Substation Project – Contract Award**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

The Trustees will be requested at their October 2021 meeting to approve the award of a competitively bid, five-year engineer/procure/construct contract to O'Connell Electric Co. Inc., of Victor, NY in the amount of \$21.88 million, for the design, construction, and commissioning of the Transmission Life Extension and Modernization - Massena Substation Project ('Project').

This Project is part of the Transmission Life Extension and Modernization ('TLEM') Program. Capital expenditures for the Project was previously approved by the Trustees in 2017.

The Finance and Risk Committee is requested to recommend that the Trustees approve interim funding in the amount of \$305,202.43 to provide engineering design services in order to maintain the project's schedule through September 30, 2021.

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

**BACKGROUND**

Section 2879 of the Public Authorities Law and the Authority's Guidelines for Procurement Contracts require the Trustees' approval of procurement contracts involving services to be rendered for a period of more than one year. Also, in accordance with the Authority's Expenditure Authorization Procedures, the award of personal services contracts more than \$10 million require the Trustees' approval.

The Project will replace the two (2) four-pole breakers, six (6) three-pole breakers, and 13.8 kV and 480 V station service systems at the Massena Substation.

**DISCUSSION**

The existing circuit breakers have been in operation since the 1970s and are beyond their useful life. As part of the TLEM Program, these breakers were identified as requiring replacement. Engineer/Procure/Construct was identified as a the most effective project delivery method for the Project scope.

Project execution is planned to occur over a 5-year period to align with required outages. It commenced with the issuance of a Request-for-Proposal for the Project in April 2021. All the circuit breakers have been procured by the Authority under a separate contract. This contract scope includes procurement of the Station Service equipment and other associated equipment. The entire Project is scheduled for completion in 2025, subject to available and approved outages.

The Authority issued Request for Proposal No. Q21-7146DK via ARIBA e-sourcing which was advertised in the New York State *Contract Reporter* and was posted on the Authority's Procurement website on April 9, 2021.

Two proposals were received from the following companies on May 14, 2021 via the ARIBA e-sourcing portal:

Company	Location	Bid Amount	Revised Bid Amount
Northline Utilities, LLC	Ausable Forks, NY	\$18,725,997.50	\$19,326,063.00
O'Connell Electric Co., Inc.	Victor, NY	\$22,615,056.13	\$21,874,456.38

Proposals submitted were reviewed against established criteria by the evaluation committee ('Committee') comprised of Authority staff from Engineering, Strategic Supply Management, Quality, Safety, 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. Requirements for Minority and Women Business Enterprise and Service-Disabled Veteran-Owned Business are included in this contract.

The Committee concluded that O'Connell Electric Co. Inc. submitted the best value proposal to the Authority that met the Authority's technical requirements, contractual terms and conditions and project delivery schedule.

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

#### RECOMMENDATION

The Senior Vice President – Project Delivery requests that the Finance and Risk Committee recommend that the Trustees approve the award of a competitively bid, five-year engineer/ procure/ construct contract to O'Connell Electric Co. Inc., of Victor, NY in the amount of \$21.88 million, for the design, construction, and commissioning of the Transmission Life Extension and Modernization - Massena Substation Project ('Project').

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 recommended by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That the Finance and Risk Committee recommends that the Trustees, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, approve the award of a five-year contract to O'Connell Electric Co. Inc. in the amount of \$21.88 million for the Transmission Life Extension and Modernization - Massena Substation Project, in accordance with, and as recommended in, the foregoing report of the President and Chief Executive Officer;**

**Contractor**

**Contract  
Approval**

O'Connell Electric Co. Inc.  
Victor, NY

**\$21.88 million**

RFP #Q21-7146DK

**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 Transmission Life Extension and Modernization – Massena Substation Project.**

ii. **Y49 – Spare System Equipment – Contract Award**

The President and Chief Executive Officer submitted the following report:

**“SUMMARY**

The Trustees will be requested at their October 2021 meeting to award a competitively bid, two-year equipment contract in the amount of \$6,451,064 to Royal SMIT Transformers ('SMIT') of Nijmegen, Netherlands, for the Y49 – Spare System Equipment ('Contract'). This Contract will seek to waive requirements of Article 22 – Steel Components from the Authority's "Agreement" document from this contract.

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

The Long Island Sound Cable (Y49) underground transmission cable was commissioned in 1991 and traverses Westchester County, the Long Island Sound, and Nassau County, delivering 600 MW of power from upstate regions to Long Island communities. The circuit has several operating devices that are deemed crucial to the grid stability by both the Authority and the Authority's operating partner, Long Island Power Authority ('LIPA'). The Authority and LIPA have recognized that long lead equipment critical to the operation of the Y49 or other high voltage lines in the region should have available spares to avoid lengthy interruptions to service, and LIPA has acknowledged its obligation to reimburse NYPA for the costs incurred for this type of spare equipment.

**DISCUSSION**

The proposed equipment contract with Royal SMIT Transformers of Nijmegen ('SMIT') would provide for the design, manufacturing, delivery, assembly, and commissioning of a new Y49 System Spare Autotransformer and Shunt Reactor.

The previous spare Autotransformer and Shunt Reactor for the Y49 system have already been placed into service to replace failed units at Shore Road Substation and East Garden City Substation, respectively.

The Authority issued Request for Proposal ('RFP') No. Q21-7188SR via Ariba e-sourcing which was advertised in the New York State *Contract Reporter* on May 26, 2021. Twenty (20) supplier(s) were listed as having been invited to or requested to participate in the Ariba Event. On July 9, 2021, two proposals were received electronically via Ariba and were evaluated.

Bidder	Location	Unevaluated Bid Amount
Royal SMIT Transformers	Nijmegen, Netherlands	\$ 6,451,064
ABB Enterprise Software, Inc.	Ludvika, Sweden	\$ 6,863,000

The Evaluation Committee, comprised of representatives from Strategic Supply Management, Project Delivery, Quality Assurance, Environmental, Health and Safety, and Program Controls, reviewed and evaluated the proposals based on the evaluation criteria established in the RFP which included: best value, proposal completeness, technical capabilities, ability to meet the schedule, experience in performing this type of work, and safety records. The proposals were also reviewed for compliance with the New York Buy American Act. After review, it was determined that the vendors would need to receive a waiver from the Authority for the Article 22- Steel Components.

SMIT was determined to be the “best value” bidder based on its strength of experience, ongoing support of the existing Autotransformers, a well thought-out project execution plan, high quality manufacturing processes, and ability to address the Authority’s requirements and expectations. SMIT took few exceptions to the commercial terms and conditions which have been negotiated and mutually agreed upon. This best value proposal also provides the most competitive pricing.

This procurement cost is comprised of the following:

Autotransformer Furnish and Deliver	\$ 4,071,109
Shunt Reactor Furnish and Deliver	<u>\$ 2,379,955</u>
TOTAL	\$ 6,451,064

#### FISCAL INFORMATION

The proposed spending for this Project has been included in the 2021 Capital Budget and will be included in the Four-Year Capital plan, moving forward. Payment associated with this Project will be made from the Authority’s Capital Fund.

#### RECOMMENDATION

The Senior Vice President – Project Delivery requests that the Finance and Risk Committee recommends that the Trustees, at their October 2021 meeting, award a competitively bid, two-year equipment contract in the amount of \$6,451,064 to Royal SMIT Transformers of Nijmegen, Netherlands, for the Y49 – Spare System Equipment, which includes a waiver to requirements of Article 22 – Steel Components from the Authority’s “Agreement” document.

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 recommended by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That the Finance and Risk Committee recommends that the Trustees, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, approve the award of a two-year equipment contract to Royal SMIT Transformers in the amount of \$6,451,064 for the Y49 – Spare System Equipment, as recommended in the foregoing report of the President and Chief Executive Officer;**



**Contractor**

**Contract Approval**

Royal SMIT Transformers  
Nijmegen, Netherlands

**\$6,451,064.00**

RFP #Q21-7188SR

AND BE IT FURTHER RESOLVED, that the Finance and Risk Committee recommends that the Trustees waive requirements of the New York Buy America Act for this Contract award as recommended in the foregoing report of the President and Chief Executive Officer

iii. **Recommendation for Award and Interim Approval –  
State-Wide Canal Dam Safety Engineering Support Services**

The President and Chief Executive Officer submitted the following report:

**SUMMARY**

The Trustees will be requested at their October 2021 meeting to approve the recommendation to award a contract(s) as a result of a competitive bid to the following companies: AECOM USA, Inc.; Bergmann Associates, Architects, Engineers, Landscape Architects and Surveyors, D.P.C.; Henningson, Durham & Richardson P.C.; and Schnabel Engineering of New York.

Interim approval in the amount of \$500,000 is also being requested to commence necessary engineering and dam safety evaluations of high risk, critical elevated water impounding Canal embankments along the 60-mile pool between Locks E35/E34 at Lockport, NY to the Genesee River Crossing at Rochester, NY in order to protect public safety and maintain Canal navigation. Additionally, this work will assist in the ongoing assessment of the Reimagine Canals Western Erie Canal pilot fisheries program and potential future irrigation initiative.

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

**BACKGROUND**

Section 2879 of the Public Authorities Law and the Authority's and Canal Corporation's Guidelines for Procurement Contracts require Authority Trustee and Canal Board approval for procurement contracts involving services to be rendered for a period in excess of one year. Also, in accordance with the Expenditure Authorization Procedures ("EAPs") the award of personal services contracts for more than \$10 million require the Boards' approval.

In order to comply with the Canal Corporation's Dam Safety Program Policy, regulatory requirements of the NYCRR Part 608 and 673 (Dam Safety Regulations), and Environmental Conservation Law, qualified dam safety engineering consultants were sought to provide expert dam safety engineering support and assistance to the Dam Safety Shared Services Program and Canals Region. Services rendered by consultants may include, but not be limited to, dam safety inspections of the Canals 400+ dam and embankment asset, engineering assessment of the stability and integrity of these structures, hydraulic and hydrologic analysis, emergency action plan development, dam repair design, dam safety program audits and other dam safety engineering tasks.

**DISCUSSION**

Pursuant to Section §2879 of Public Authority's Law ('PAL'), the Authority issued a Request for Proposal ('RFP'), No. Q21-7139NF, for State-Wide Canal Dam Safety Engineering Support Services via Ariba e-sourcing which was advertised in the New York State *Contract Reporter* on May 18, 2021. One hundred nine (109) suppliers were listed as having been invited to, or requested to participate in the Ariba Event. Nine (9) proposals were received electronically via Ariba and were evaluated, as further set forth in the Award Recommendation documents. Several firms declined to bid due to their inability to meet the timeframe required for the project.

On June 10, 2021, nine (9) proposals were received from the following suppliers:

<b>SUPPLIER</b>	<b>M/WBE</b>
AECOM USA Inc. (AECOM)	N/A
Bergmann Associates, Architects, Engineers, Landscape Architects and Surveyors, D.P.C. (Bergmann Associates)	N/A
C.T. Male Associates Engineering, Surveying, Architecture, Landscape Architecture and Geology, D.P.C. (CT Male)	N/A
Gomez & Sullivan Engineers	N/A
Greenman Pedersen, Inc.	N/A
Hatch Associates Consultants, Inc.	N/A
Henningson, Durham & Richardson P.C., (HDR)	N/A
LaBella Associates, D.P.C.	N/A
Schnabel Engineering of New York (Schnabel)	N/A

The proposals were evaluated on the basis of relevant criteria: technical requirements, including services capability, relevant experience, quality assurance /quality control process, project team staffing experience, safety, insurance, Minority/Women-Owned Business Enterprise ('M/WBE') participation with goals of 15%M, 15%W and 6% Service-Disabled Veteran-Owned Business ('SDVOB'), and if the Supplier took exceptions to the Authority's terms and conditions.

The Evaluation Committee comprised of representatives from NYPA and Canal Corporation Dam Safety Shared Services Staff and NYPA Strategic Supply Management ('SSM').

Considered for Award:

AECOM was found to be most competitive technically qualified supplier and provided the greatest level of expertise and project experience in all aspects of dam safety engineering of the suppliers evaluated. AECOM took several exceptions to the commercial terms and conditions which have been negotiated and mutually agreed upon. Additionally, AECOM has proposed to comply with the M/WBE goal requirements set forth in the RFP.

Schnabel was found to be a competitive and technically qualified supplier and provided the greatest level of expertise in dam geotechnical engineering analysis and design of the suppliers evaluated. Schnabel took some exceptions to the commercial terms and conditions which have been negotiated and mutually agreed upon. Schnabel has proposed to comply with the M/WBE goal requirements set forth in the RFP.

HDR was found to be a competitive and technically qualified supplier and provided the greatest level of expertise in dam safety program audits, hydraulic and hydrologic modeling program development and Canal site hydropower licensing experience of the suppliers evaluated. HDR took some exceptions to the commercial terms and conditions which have been negotiated and mutually agreed upon. HDR has proposed to comply with the M/WBE goal requirements set forth in the RFP.

Bergmann Associates was found to be a competitive and technically qualified supplier and provided the greatest level of Canal dam safety engineering experience from past involvement supporting the Canal Corporation's Dam Safety Program of the suppliers evaluated. Bergmann Associates took minor exceptions to the commercial terms and conditions which have been negotiated and mutually agreed upon. Bergmann Associates has proposed to comply with the M/WBE goal requirements set forth in the RFP.

#### FISCAL INFORMATION

Funding will be allocated as projects are assigned based on each firms' performance and workload, subject to the Approval Limits for Execution of Commitments in the Authority's Expenditure Authorization procedures.

#### RECOMMENDATION

The Vice President – O&M Services & Technical Compliance requests that the Finance and Risk Committee recommends that the Trustees approve award personal services contract(s) to provide Dam Safety Consulting Engineering Support Services to the best value, technically qualified Suppliers: AECOM USA, Inc.; Bergmann Associates, Architects, Engineers, Landscape Architects and Surveyors, D.P.C; Henningson, Durham & Richardson P.C. and Schnabel Engineering of New York for a five-year term for a total aggregate amount of \$20,000,000. Interim approval in the amount of \$500,000 is also being requested to commence necessary engineering and dam safety evaluations of high risk, critical elevated water impounding Canal embankments in order to protect public safety and maintain Canal navigation.

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 recommended by the President and Chief Executive Officer, was unanimously adopted.

**RESOLVED, That the Finance and Risk Committee recommends that the Trustees approve award of personal services contract(s) to provide Dam Safety Consulting Engineering Support Services to the best value, technically qualified Suppliers: AECOM USA, Inc.; Bergmann Associates, Architects, Engineers, Landscape Architects and Surveyors, D.P.C; Henningson, Durham & Richardson P.C. and Schnabel Engineering of New York for a five-year term for a total aggregate amount of \$20,000,000; and be it further**

**RESOLVED, That the Finance and Risk Committee recommends that the Trustees approve interim expenditures in the amount of \$500,000 to commence necessary engineering and dam safety evaluations of high risk, critical elevated water impounding Canal embankments in order to protect public safety and maintain Canal navigation.**

**b. Approval of the Minutes of the Joint Meeting held on July 15, 2021**

On motion made by member Dennis Trainor and seconded by member John Koelmel, the Minutes of the Joint Meeting held on July 15, 2021 were approved.

**6. Next Meeting**

Chairperson Tracy McKibben said that the next regular meeting of the Finance and Risk Committee is scheduled for November 16, 2021.

**Closing**

On motion made by member Michael Balboni and seconded by member John Koelmel, the meeting was adjourned by Chairperson McKibben at approximately 11:06 a.m.

*Karen Delince*

Karen Delince  
Corporate Secretary

**FINANCE and RISK COMMITTEE**

# **EXHIBITS**

**For**

**September 21, 2021**

**Meeting Minutes**





**NY Power  
Authority**

**Canal  
Corporation**

# **NYPA's Climate Resilience and Adaptation Study**

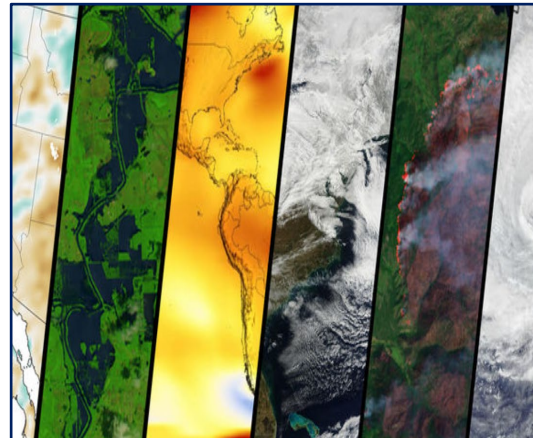
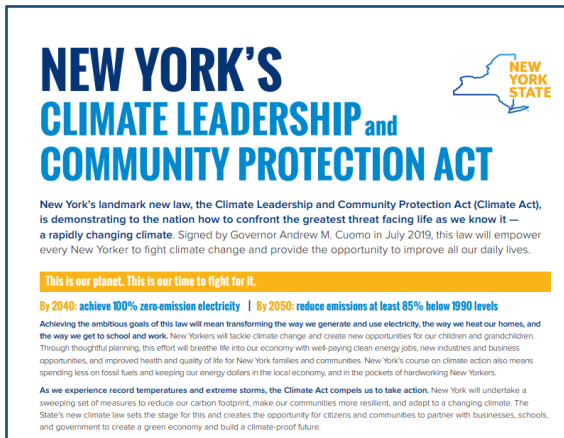
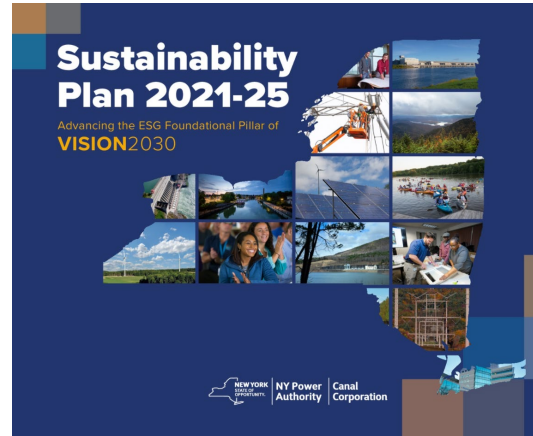
**Adrienne Lotto Walker**

**VP, Chief Risk & Resilience Officer**

**September 21, 2021**

# Project Drivers and Participants

## Project Drivers



## Project Participants



## Project Overview

**Objective: to apply downscaled climate impact modeling and infrastructure risk and resilience analysis to support our assessment of climate risks and adaptation options for our assets and operations.**

*Adaptation --- Risk Mitigation --- Capital Expenditure Planning*

## Sub-Tasks

**Estimates of Local-Scale Climate Impacts for NYPA Service Area**

**Infrastructure Risk & Resilience Analysis**

**Adaptation Options Analysis**



**NY Power  
Authority**

**Canal  
Corporation**



**NY Power  
Authority**

**Canal  
Corporation**

# **Chief Financial Officer Report**

**Adam Barsky**

**EVP & Chief Financial Officer**

**September 21, 2021**

# YEAR-TO-DATE ACTUALS THROUGH JULY 31<sup>st</sup>

## YTD ACTUALS (JANUARY-JULY 2021)

In \$ Thousands	2021 Budget (\$)	2021 Current (\$)	Variance (\$)	
<b>Net Operating Income</b>				
Operating Revenue				
Customer Revenue	\$1,056,372	\$1,025,301	(\$31,071)	
Market-Based Power Sales	261,585	277,623	16,038	
Non Utility Revenue	14,887	15,412	525	
Ancillary Service Revenue	15,724	19,221	3,497	
NTAC and Other	142,520	153,482	10,963	
<b>Operating Revenue Total</b>	<b>1,491,087</b>	<b>1,491,040</b>	<b>(48)</b>	
Operating Expense				
Purchase Power	(372,941)	(340,023)	32,918	
Ancillary Service Expense	(36,901)	(32,062)	4,839	
Fuel Consumed	(74,457)	(102,112)	(27,655)	
Wheeling	(366,050)	(371,118)	(5,067)	
Operations & Maintenance	(343,774)	(328,576)	15,198	
Other Expense	(75,410)	(80,781)	(5,371)	
Allocation to Capital	35,235	24,413	(10,822)	
<b>Operating Expense Total</b>	<b>(1,234,298)</b>	<b>(1,230,258)</b>	<b>4,040</b>	
<b>EBIDA Total</b>	<b>256,789</b>	<b>260,781</b>	<b>3,992</b>	<b>3,992</b>
<i>EBIDA NYPA</i>	<i>307,513</i>	<i>312,565</i>	<i>5,051</i>	
<i>EBIDA Canals</i>	<i>(50,724)</i>	<i>(51,783)</i>	<i>(1,059)</i>	
<b>Non Operating</b>				
Interest and Other Expenses				
Interest & Other Expenses	(76,028)	(71,579)	4,449	
Investment and Other Income	11,632	8,512	(3,120)	
Mark to Market Adjustments	0	(1,036)	(1,036)	
Depreciation	(150,718)	(152,905)	(2,187)	
<b>Interest and Other Expenses Total</b>	<b>(215,114)</b>	<b>(217,008)</b>	<b>(1,894)</b>	
<b>NET INCOME</b>	<b>\$41,675</b>	<b>\$43,774</b>	<b>\$2,099</b>	<b>\$2,099</b>

Margins - Generation (\$4,869)

Margins - Transmission 13,038

Margins - Non Utility (3,182)

Operating Expenses (995)

Non-Operating Net (1,894)

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



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# FULL-YEAR FORECAST

## YEAR END PROJECTION (JANUARY - DECEMBER 2021)

In \$ Thousands	2021 Budget (\$)	2021 Current (\$)	Variance (\$)	
<b>Net Operating Income</b>				Current vs Budget
Operating Revenue				
Customer Revenue	\$1,817,582	\$1,844,110	\$26,528	
Market-Based Power Sales	430,499	510,809	80,310	
Non Utility Revenue	27,375	26,860	(515)	
Ancillary Service Revenue	27,662	32,466	4,804	
NTAC and Other	237,488	257,635	20,147	
<b>Operating Revenue Total</b>	<b>2,540,607</b>	<b>2,671,881</b>	<b>131,274</b>	
Operating Expense				
Purchase Power	(629,343)	(650,894)	(21,551)	
Ancillary Service Expense	(62,475)	(56,951)	5,524	
Fuel Consumed	(119,206)	(187,261)	(68,056)	
Wheeling	(642,170)	(647,737)	(5,567)	
Operations & Maintenance	(607,911)	(635,664)	(27,753)	
Other Expense	(129,657)	(133,876)	(4,219)	
Covid-19 Expense*	0	286	286	
Allocation to Capital	59,143	59,143	0	
<b>Operating Expense Total</b>	<b>(2,131,619)</b>	<b>(2,252,955)</b>	<b>(121,336)</b>	
<b>EBIDA Total</b>	<b>408,989</b>	<b>418,926</b>	<b>9,937</b>	<b>9,937</b>
EBIDA NYPA	495,601	511,469	15,868	
EBIDA Canals	(86,613)	(92,543)	(5,930)	
<b>Non Operating</b>				
Interest and Other Expenses				
Interest & Other Expenses	(129,262)	(119,478)	9,784	
Investment and Other Income	19,626	16,172	(3,454)	
Mark to Market Adjustments	0	(1,036)	(1,036)	
Depreciation	(258,373)	(262,610)	(4,237)	
<b>Interest and Other Expenses Total</b>	<b>(368,009)</b>	<b>(366,952)</b>	<b>1,057</b>	
<b>NET INCOME</b>	<b>\$40,980</b>	<b>\$47,496</b>	<b>\$51,974</b>	<b>\$67,813</b>
		<i>Low Case</i>	<i>Expected</i>	<i>High Case</i>
				<b>\$10,995</b>

Margins - Generation\*\* (\$2,375)

Margins - Transmission 23,925

Margins - Non Utility (2,927)

\*\* Includes Merchant Gross Margin Variance of (\$2,525):  
Budget @ \$272,411 vs Current @ \$269,887

Operating Expenses (8,687)

Non-Operating Net 1,057

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

EBIDA: Earnings Before Interest Depreciation & Amortization

Low/High Cases: Taken from Risk's Merchant Portfolio Daily Performance Summary



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# **Environmental, Social, and Governance – VISION2030 Foundational Pillar Update**

**Kerry-Jane King**  
**Director, Sustainability**

**September 21, 2021**

# NYPA delivers best-in-class sustainability strategy to meet the needs of our stakeholders and promote long-term environmental, social, governance, and economic performance

Tactic	A - Demonstrate our commitment by issuing a sustainability plan and annual sustainability reports	B - Bring best-in-class ambitions to life and fully integrate ESG into NYPA's DNA	C - Expand the sustainability function to encompass strategic guidance, oversight, and reporting
Strategic Objectives and Initiatives	<p>Adopt and promote best practice Sustainability reporting standards:</p> <ul style="list-style-type: none"> <li>— Publish NYPA's first GRI, SASB and TCFD aligned Sustainability Report</li> <li>— Publish NYPA's first GRI, SASB and TCFD aligned five-year Sustainability Plan</li> <li>— <b>Publish NYPA's first Integrated Report in 2023</b></li> </ul>	<p>Lead the public power industry in ESG by 2030:</p> <ul style="list-style-type: none"> <li>— Establish ESG governance</li> <li>— Implement communications and change management plan</li> <li>— Expand ESG engagement efforts - climate science training and other initiatives</li> </ul>	<p>Build out the Sustainability function/ capability to:</p> <ul style="list-style-type: none"> <li>— Serve as a trusted advisor to business units to meet our ESG goals</li> <li>— Expand and accelerate lead-by-example programs across key performance areas</li> </ul>

## Tactic A – Adopting Integrated Reporting by 2023, further demonstrating ESG leadership



INTEGRATED REPORTING <IR>

- 2021 has been a milestone year, including publication of our first ESG standards-aligned **Sustainability Report** and **Sustainability Plan**
- We are building on this success by **adopting the Integrated Reporting (<IR>) framework**, and will issue **our first <IR> report in 2023**
- <IR> is an internationally recognized framework that **combines sustainability and financial reporting** to:
  - Promote integrated thinking and decision-making for value creation over the short- and long-term
  - Provide a more comprehensive approach to corporate reporting for all stakeholders

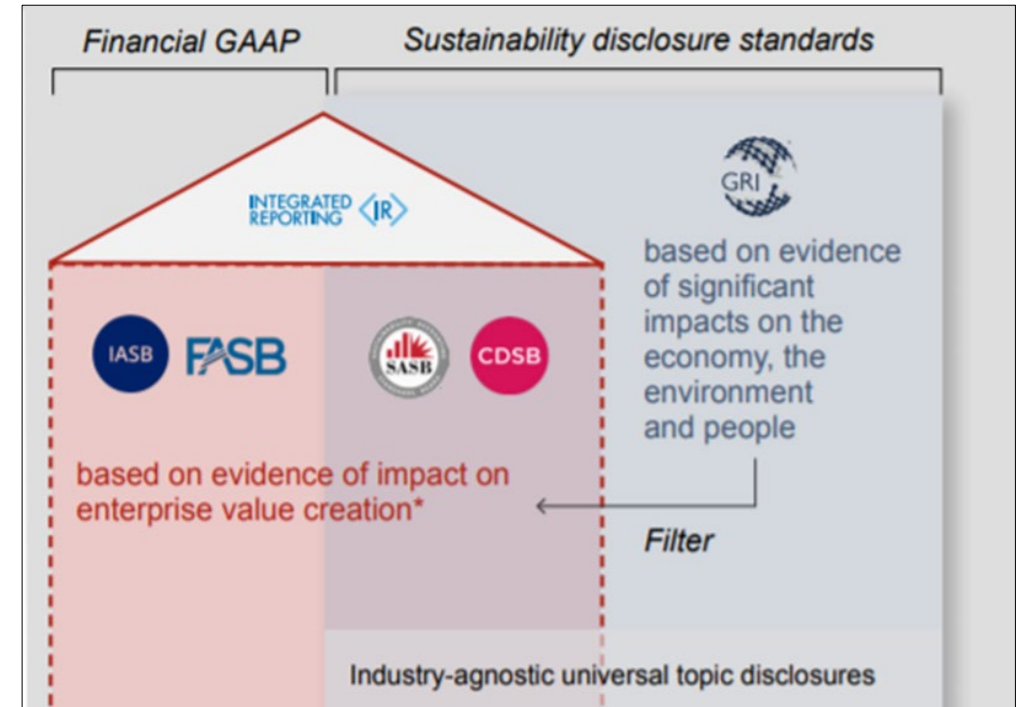
# Adopting the <IR> Framework to integrate ESG and communicate value

## ESG Performance and Reporting

- Establish ESG issues as value drivers to operationalize ESG strategy
- Leverage interconnected information to better manage risks and tradeoffs
- Communicate value of business and NYPA's stewardship to all stakeholders
- Meet stakeholder expectations for transparency and accountability

## <IR> Work Plan

- Benchmarking and gap analysis
- Define scope, disclosures and metrics
- Begin collecting data January 2022



Source: Statement of Intent to Work Together Towards Comprehensive Corporate Reporting, CDP, CDSB, GRI, IIRC, SASB

**<IR> provides a reporting structure to build connectivity across ESG and financial disclosures**



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