

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
Minutes of the 157th Audit and Finance Committee Meeting
Held on October 23, 2024

Pursuant to a notice and agenda dated October 15, 2024, and a revised agenda issued on October 22, 2024, a copy of which is annexed hereto, the one hundred fifty-seventh (157th) meeting of the Audit and Finance Committee (the “Committee”) of the NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY (the “Authority”) was convened at 10:30 a.m. on Wednesday, October 23, 2024 at the Authority’s Albany Office located at 17 Columbia Circle, Albany, New York and at the NY Green Bank Office (“NYGB”) located at 1333 Broadway, Suite 300, New York, New York. The two locations were connected by videoconference.

The following Members of the Committee were present:

Richard Kauffman, *Chair of the Authority* attended from NYGB

Sherburne Abbott attended from NYGB

Lindsay Greene attended from NYGB

Jennifer Hensley attended from NYGB

Committee Chair, Jay Koh was unable to attend.

Also present were Doreen Harris, President and CEO; John Williams, Executive Vice President for Policy and Regulatory Affairs; Peter J. Costello, General Counsel and Secretary to the Authority; Pam Poisson, Chief Financial Officer; Anthony J. Fiore, Chief Program Officer; Sara LeCain, Senior Counsel and Secretary to the Committee; and various other staff of the Authority.

The Chair called the meeting to order and noted the presence of a quorum. Notice of this meeting was provided to the Committee Members on October 15, 2024 and to the Press on October 16, 2024. A revised notice and agenda was issued on October 22, 2024.

The Chair began by thanking the Director of Internal Audit, Mary Peck, for her service to the Authority.

Next, the Chair indicated that the first item on the agenda concerned the approval of the minutes of the one hundred fifty-sixth (156th) meeting held on April 29, 2024.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee Members present, the minutes of the one hundred fifty-sixth (156th) meeting held on April 29, 2024 were approved.

The Chair indicated that the next item on the agenda was a report from the Director of Internal Audit Mary Peck. Director Peck provided the Committee with an update on Internal Audit's recent activities and completed audit reports.

In response to an inquiry from the Chair, Director Peck explained that the Authority considers travel a high-risk because of known health exposures as well as problems with travel. Director Peck noted that following COVID-19, staff were not traveling as much and were less familiar with the Authority's travel policies and procedures.

In response to an inquiry from the Chair, Director Peck explained that the five travel expenses noted in the report were not based on a particular risk or flag, they were randomly picked based on a high dollar amount or location of travel.

The Chair indicated that the next item on the agenda was consideration of proposed amendments to the Authority's Internal Control Manual ("ICM"). The Authority's Chief Financial Officer ("CFO") Pam Poisson and Director Peck discussed this item.

CFO Poisson stated that the Members were requested to adopt a resolution recommending approval of two amendments to the Authority's ICM. The first amendment was a minor update to the technology asset tracking language to make clear the distinction between material and non-material items.

Next, Director Peck explained that the second amendment was to Appendix A, the Internal Audit Charter, to conform with the 2024 revisions to the Global Internal Auditing Standards.

In response to an inquiry from the Chair, CFO Poisson indicated that the prior year's amendments to the ICM were very well received. Director Peck added that there has been a concerted effort across the Authority to adhere to the ICM.

In response to an inquiry from the Chair, Director Peck indicated that an audit of compliance of the ICM is something the Authority will consider as a future audit. In addition, CFO Poisson explained that the Authority conducts a risk and controls self-assessment on a rolling three-year basis, and that the Authority already has plans in place to conduct the next risk control self-assessment.

Member Abbott suggested that the ICM would be useful as part of the Authority's Member onboarding materials.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee Members present, the following resolution was adopted.

Resolution No. 504

RESOLVED, that the amendments to the Authority's Internal Control Manual as presented at this October 23, 2024 meeting, with such non-substantive, editorial changes and grammatical changes as the President and Chief Executive Officer, in their discretion, may deem necessary or appropriate, are hereby recommended for approval and adoption by the Board.

The Chair indicated that the next item on the agenda was the review and approval of the Audit and Finance Committee Charter. The Chair stated that pursuant to the Public Authorities Accountability Act of 2005, each of the Authority's Committees adopted Charters setting forth each Committee's responsibilities. One of those responsibilities is to periodically review its Charter and determine what, if any, amendments need to be made. Counsel's Office continually

monitors relevant guidance from the Authority's Budget Office, the Comptroller's Office; legislation; and other authority practices to determine whether to recommend any modifications. Other authorities include: the New York Power Authority; the Long Island Power Authority; the New York State Dormitory Authority; and the New York State Environmental Facilities Corporation.

The Chair explained that the proposed amendments to the Committee's Charter incorporate changes to the Committee's oversight of internal audit and relevant language adopted from the 2024 Global Internal Auditing Standards and correspond to the changes discussed as part of the ICM amendments.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee Members present, the following resolution was adopted.

Resolution No. 505

RESOLVED, amendments to the Authority's Audit and Finance Committee Charter as presented for consideration at this October 23, 2024 meeting, with such non-substantive, editorial changes and grammatical changes as the President and Chief Executive Officer, in their discretion, may deem necessary or appropriate, is recommended for adoption and approval by the Board.

The Chair indicated that the next item on the agenda was a resolution recommending the appointment of three firms to serve as Bond Counsel to the Authority. Senior Counsel and Secretary to the Committees Sara LeCain discussed this item.

Senior Counsel LeCain stated that the Members are requested to approve the appointment of Hawkins Delafield & Wood, LLP ("Hawkins"); Nixon Peabody, LLP ("Nixon Peabody"); and Hodgson Russ, LLP ("Hodgson Russ") as Bond Counsel to the Authority. Under the Authority's Financial Services Guidelines, the Authority is required to issue an RFP for bond counsel services every five years. In accordance with those guidelines, the Authority issued a solicitation for engaging bond counsel services in July 2024. A scoring committee comprised of staff from the Office of the General Counsel, the Financing Solutions team and the Finance team met to review

the seven proposals received in response to the solicitation and recommended that the Hawkins, Nixon Peabody, and Hodgson Russ firms be appointed as the Authority's Bond Counsel.

Senior Counsel LeCain explained that Bond Counsel is responsible for advising and assisting the implementation of the Authority's financing program. In addition, the Bond Counsel provides guidance and support with respect to general financial matters. In accordance with past practice, the Authority does not pay for Bond Counsel services performed in connection with conduit bond issuances. Instead, the utility or other entity on whose behalf the bonds are issued will be responsible for the costs of issuing the bonds. Should the Authority decide to issue bonds on its own behalf, the Authority would be responsible for the costs incurred for such a transaction.

If approved, the Authority will enter into engagement letters with Hawkins, Nixon Peabody and Hodgson Russ to serve as Bond Counsel for the period January 1, 2025 through December 31, 2029.

In response to an inquiry from Member Greene, Senior Counsel LeCain stated that the Authority appoints two or three firms as Bond Counsel so there is back-up.

In response to an inquiry from Member Greene, Senior Counsel LeCain indicated that Hawkins and Nixon Peabody have been selected as Bond Counsel before. Hodgson Russ is a new addition.

In response to an inquiry from the Chair, Senior Counsel LeCain explained that the Green Jobs-Green New York bonds are issued by the Authority.

In response to an inquiry from the Chair, Senior Counsel LeCain stated that the Authority has completed conduit issuances on behalf of the various utilities in New York State.

In response to an inquiry from Member Greene, CFO Poisson indicated that the Authority has not had new conduit bond issuances for almost a decade.

In response to an inquiry from the Chair, Senior Counsel LeCain stated that new conduit bond issuances would be brought to the Board for approval.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee Members present, the following resolution was adopted.

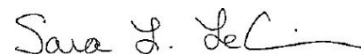
Resolution No. 506

RESOLVED, that it is recommended that the Members authorize the President and CEO to engage the firms of Hawkins Delafield & Wood, LLP, Nixon Peabody LLP, and Hodgson Russ, LLP to serve as bond counsel for the Authority on its financings, and provide legal advice and counsel as may be necessary or desirable on matters involving trusts and other financial related services, as the President and CEO may determine is required from time to time.

The Chair indicated that the last item on the agenda was other business. There being no other business, the Chair called for a motion to adjourn.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee Members, the meeting was adjourned.

Respectfully submitted,



Sara L. LeCain
Secretary to the Committee



KATHY HOCHUL
Governor
RICHARD L. KAUFFMAN
Chair
DOREEN M. HARRIS
President and CEO

NOTICE OF MEETING AND AGENDA

October 16, 2024

TO THE MEMBERS OF THE AUDIT AND FINANCE COMMITTEE:

PLEASE TAKE NOTICE that the one hundred fifty-seventh (157th) meeting of the AUDIT AND FINANCE COMMITTEE of the New York State Energy Research and Development Authority will be held at 17 Columbia Circle, Albany, New York, and at the NY Green Bank Office located at 1333 Broadway, New York, New York, on Wednesday, October 23, 2024 commencing at 10:00am., for the following purposes:

1. To consider the Minutes of the 156th meeting held on April 29, 2024.
2. To receive a report from the Director of Internal Audit.
3. To consider and act upon a resolution recommending approval of amendments to the Authority's Internal Control Manual.
4. To consider and act upon a resolution recommending amendments to the Audit and Finance Committee Charter.
5. To consider and act upon a resolution recommending approval of Bond Counsel for the Authority.
6. To transact such other business as may properly come before the meeting.

Members of the public may attend the meeting at any of the above locations or via the video conference which can be accessed at <https://www.nysesda.ny.gov/About/Board-Governance/Board-and-Committee-Meetings>.

The Authority will be posting a video and a transcript of the meeting to the web as soon as practicable after the meeting. The video and transcript will be posted at <http://www.nysesda.ny.gov/About/Board-Governance/Board-and-Committee-Meetings>.

Sara L. LeCain
Secretary to the Audit and Finance Committee

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KATHY HOCHUL
Governor
RICHARD L. KAUFFMAN
Chair
DOREEN M. HARRIS
President and CEO

NOTICE OF MEETING AND AGENDA

October 21, 2024

TO THE MEMBERS OF THE AUDIT AND FINANCE COMMITTEE:

PLEASE TAKE NOTICE that the one hundred fifty-seventh (157th) meeting of the AUDIT AND FINANCE COMMITTEE of the New York State Energy Research and Development Authority will be held at 17 Columbia Circle, Albany, New York, and at the NY Green Bank Office located at 1333 Broadway, New York, New York, on Wednesday, October 23, 2024 commencing at 10:30am., for the following purposes:

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Sara L. LeCain
Secretary to the Audit and Finance Committee

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