

**MINUTES OF THE MEETING
OF THE
GOVERNANCE COMMITTEE**

December 17, 2015

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Minutes of the regular meeting of the New York Power Authority's Governance Committee held at the Clarence D. Rappleyea Building, 123 Main Street, White Plains, New York, at approximately 8:00 a.m.

The following Members of the Governance Committee were present:

Dr. Anne M. Kress, Chair
Chairman John R. Koelmel, Member
Trustee Eugene L. Nicandri, Member
Trustee Anthony Picente, Jr., Member

Also in attendance were:

Gil Quinones	President and Chief Executive Officer
Justin Driscoll	Executive Vice President and General Counsel
Edward Welz	Chief Operating Officer
Jennifer Faulkner	Senior Vice President – Internal Audit
Kristine Pizzo	Senior Vice President – Human Resources
Karen Delince	Vice President and Corporate Secretary
Rocco Iannarelli	Vice President and Senior Advisor – President's Office
John Canale	Vice President – Procurement
Joseph Gryzlo	Vice President and Chief Ethics and Compliance Officer
Ethan Riegelhaupt	Vice President – Corporate Affairs
Gerald Goldstein	Assistant General Counsel Contracts, Licensing & Environmental
Peter Prunty	Director – Infrastructure
Debra White	Director – Supplier Diversity Program
Lorna Johnson	Senior Associate Corporate Secretary
Sheila Baughman	Senior Assistant Corporate Secretary
Jaijah Gottor	Lead Network Analyst – Infrastructure
Glen Martinez	Senior Network Analyst – Infrastructure

Chairperson Kress presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Chairperson Kress welcomed committee members and Authority senior staff to the meeting. She said 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 Governance Committee Charter.

1. **Adoption of the Proposed Meeting Agenda**

Upon motion made and seconded the Agenda for the meeting was adopted.

2. **CONSENT AGENDA:**

Upon motion made and seconded, the Consent Agenda and Reports provided by staff to members of the Governance Committee were approved.

a. **Approval of the Minutes**

Upon motion made and seconded, the Minutes of the Committee's Regular Meeting of September 29, 2015 were approved.

b. Procurement and Real Estate Reports (January – September 2015)

The Vice President of Procurement submitted the following report:

“SUMMARY

This memorandum is to advise the Governance Committee of certain 2015 YTD activities of the Procurement and Real Estate Divisions, including: procurement contract activity, disposal of personal property, acquisition and disposal of real property, Supplier Diversity Program activities and plant inventory statistics; as well as fossil fuels activities conducted by Energy Resource Management; and corporate finance activities conducted by the Treasury Group.

BACKGROUND

Pursuant to Subsection C.5 of the Authority’s Governance Committee Charter relating to Reports, the Vice President – Procurement and the Director – Real Estate are required to report to the Committee at all regularly scheduled meetings and the Committee has the authority to require Procurement and Real Estate staff to prepare additional reports and to produce documents for Committee review.

The reported activities are governed by various State laws and regulations and are set forth in the attached Reports.

DISCUSSION

As more fully described in the individual reports attached hereto as Exhibits ‘2b-1’ – ‘2b-7,’ the Procurement Contract Report summarizes activity for procurements of \$5,000 or greater that were active in 2015, as identified by the Authority’s SAP Enterprise Resource Planning (‘ERP’) system. The Disposal of Personal Property Report lists all personal property (including Fleet-related) disposal transactions over \$5,000 conducted during 2015. The Real Estate Report includes all transactions for the acquisition or disposal of real property by the Authority during the reporting period. The Supplier Diversity Program Activity Report summarizes dollars awarded to New York State-certified Minority and Women-owned Business Enterprises (‘MWBES’) as well as to Service-Disabled Veteran-Owned Businesses (‘SDVOBs’) based on reportable expenditures. The Plant Inventory Analysis lists current stock value and compares it to that of the previous year, with a brief explanation for any significant increase or decrease, where applicable. The Fossil Fuels and Corporate Finance Reports list the fuel- and finance-related transactions conducted by the Fuel Operations and Treasury work groups, respectively.”

c. Recent Developments and Status of NYPA's Ethics and Compliance Programs

The Vice President and Chief Ethics and Compliance Officer and the Vice President of Technical Compliance, submitted the following report:

"ETHICS and COMPLIANCE

The Office of Ethics and Compliance ('E&C Office') advises NYPA's trustees, officers and employees on the legal, regulatory and NYPA Code of Conduct ethics and compliance standards relating to NYPA's employees and operations. It coordinates the investigation of allegations and concerns involving NYPA's assets and employees. This report highlights significant developments in NYPA's ethics and compliance program for the period September 29, 2015 to December 17, 2015.

BACKGROUND

The principal substantive issues ('cases') arising under the NYS ethics laws contained in the Public Officers Law and NYPA's Code of Conduct investigated or researched since the most recent Governance Committee report on September 29, 2015 include various requests to engage in outside activities and employment and issues concerning conflicts of interest, gifts inquiries, post-employment restrictions questions and state service re-employment scenarios.

The E&C Office provides annual training and Code of Conduct certification to all trustees, officers and employees to reaffirm NYPA's commitment to prevailing ethics principles and raise awareness of the laws and regulations with which all NYS public employees are required to comply. Annual review of, and certification to the NYPA Code of Conduct is implemented as an additional measure to reinforce acceptable business and professional conduct. The E&C Office also coordinates required training for the trustees and designated employees to comply with the Federal Energy Regulatory Commission's ('FERC') Standards of Conduct relating to NYPA's transmission and energy marketing functions and FERC Rules designed to prevent manipulation of energy markets.

DISCUSSION

Ethics Caseload

The E&C Office reviewed 51 cases since the last report to the Governance Committee, including those discussed in detail below:

1. The last report to the Governance Committee included a summary of an audit of overtime meal expenses incurred and processed by employees at the Clark Energy Center ('CEC'). The disciplinary actions referred to in that report have been administered by management.

That case resulted in a more expansive audit conducted by the Internal Audit Department and included reviews of headquarters and other operations facilities employees' meal expenses. As with the CEC review, the most recent audit findings resulted in verifying and recommending enhancements to NYPA's business meal authorization and expense approval procedures and the need to provide training to ensure that employees who incur and approve business related meals clearly understand acceptable practices. NYPA's procedures authorize reimbursement for actual meal expenses incurred by eligible employees who either work approved overtime periods or are on approved business travel status. These internal controls improvements are being reviewed by management and will result in a more consistent and efficient use of NYPA's resources. The E&C Office is working with

Business Services, Human Resources, Internal Audit and the Law Department to develop and implement the necessary changes. Where necessary, disciplinary action will be administered in cases where employees knowingly violated applicable standards.

2. An employee pursuing a master's degree was assigned a final project to build a new business. The business model he and his team developed was deemed viable, and the employee sought outside employment approval to develop a web-based eco-friendly electrical supply site. The owners of the website plan to advertise the products of eco-friendly electrical equipment. Any products sold through the website would automatically result in a finder's fee payment to the owners of the website. The objective is to aggregate eco-friendly electrical supplies into one location to make green electrical supplies more accessible for consumers. The owners will not have any type of brick and mortar location, nor stock any supplies. Goods ordered through their website will be shipped directly from the supplier to the consumer. This outside employment was approved by the E&C Office as it did not present any conflicts of interest with NYPA's interests or the employee's job duties.
3. The E&C office reviewed numerous requests to engage in outside employment and activities. These reviews included two part-time municipal police officers, a Town Councilman and Community Library Board member, a college professor, a residential and commercial cleaning business, a board membership for the NYC YWCA, two high school advisors for Robotics competitions, a school basketball coach and several paid volunteer time requests for national charities. All requests were reviewed for conflicts of interest and approved with conditional guidelines. Employees are required to acknowledge various ethics guidelines as a condition of their permission to engage in outside activities and employment. These include their agreement to pursue their outside endeavors solely on their own time and without the use of any NYPA resources, a commitment to disclose their outside endeavors in their New York State annual Financial Disclosure Statement and the need to ensure they do not represent or create the appearance that NYPA endorses their outside endeavors.

New Financial Disclosure Filing System

The NYS Joint Commission on Public Ethics ('JCOPE') has developed a new web-based financial disclosure filing system which was recently released for use and will be the primary tool used for the annual 2015 Financial Disclosure Statement filing due in May 2016. It is intended that this system will streamline the filing preparation and submission process. Several employees who have recently become required filers have utilized the new system. The E&C Office is working with JCOPE's staff to ensure that NYPA's required filers will have access to, and be capable of fulfilling their filing commitments prior to the annual filing period between April 1 and May 15, 2016.

Training and Outreach

The E&C Office provided two mandatory JCOPE Comprehensive Ethics Training classes to new hire employees who participate in the JCOPE Financial Disclosure program. All State employees who file annual Financial Disclosure Statements with JCOPE are required to receive this training. One of these training sessions was recorded by NYPA's video production crew. This video training will be loaded into the Learning Management System ('LMS') and delivered to all new hire employees who do not participate in the Financial Disclosure program. The comprehensive training provides an overview of all of the ethics laws and regulations that apply to New York State employees. The training has been tailored to provide examples of NYPA cases where the Public Officers Law has been interpreted and enforced.

An eight minute excerpt of the recorded training detailing the outside employment and activities sections of the Public Officers Law and the NYPA Code of Conduct will be used as the calendar year 2015 ethics training for all employees and Trustees. This training will be issued in early December and delivered to all trustees and employees.

Risk Alignment and Controls Committee

The E&C Office is an active participant in the Risk Alignment and Controls Committee ('RACC'), which was formed to bring all of the NYPA departments concerned with risk management accountabilities (i.e., E&C Office, Internal Audit, Technical Compliance, Risk Management, Controller's Office) together to review current practices, reduce any redundancies throughout the organization and to identify any gaps in NYPA's risk profile so that they may be mitigated. The development of a common risk framework and process is being pursued as a primary objective.

The E&C Office sponsored a Fraud Risk Assessment conducted by the Internal Audit Department in mid-2015, which initially consisted of interviews of approximately 30 NYPA executives and senior managers. These interviews were conducted to gauge senior management's perceptions of NYPA's fraud risks and existing internal controls to mitigate their occurrences. The initial assessment did not perform gap analyses or testing to determine whether NYPA had policies and procedures in place to mitigate against the fraud risks identified during the management interviews.

The E&C Office has begun gap analysis testing and is currently interviewing subject matter experts ('SME's') to determine whether adequate policies and procedures exist to mitigate any potential or actual fraud risks identified during the assessment. Approximately 50 SME's have been identified for additional interviews. Half of those interviews have been conducted to date, and several new potential fraud risks have been identified. A final report will be issued to the RACC for further action.

RELIABILITY STANDARDS COMPLIANCE

SUMMARY

This report highlights important aspects of NYPA's reliability standards compliance management program for the period September 30, 2015 to December 17, 2015. A brief background statement is followed by discussion of specific reliability standards-related topics affecting the enterprise.

BACKGROUND

Background information related to the origin of the North American Electric Reliability Corporation ('NERC') mandatory standards for reliability and NYPA's obligations to demonstrate compliance with the standards has been presented in previous reports to the Governance Committee.

DISCUSSION

NERC Reliability Standards Compliance Enforcement Actions

During the reporting period, NYPA reported one (1) new possible violation of the NERC Reliability Standards to the Northeast Power Coordinating Council ('NPCC'), NERC's compliance monitoring and enforcement agent for NYPA. The NPCC is reviewing NYPA's determination that the violation posed minimal risk to the reliability of the Bulk Electric System and that the violation can be processed as a compliance exception under NERC's risk-based enforcement program for self-logging of minimal risk issues.

Investigations of Possible Violations

During the reporting period, Technical Compliance initiated one (1) investigation of a possible violation of the NERC Reliability Standards, which was completed in late November. The investigation team determined that there was no possible violation of Reliability Standards associated with this incident. This internal process is viewed by the regulator as evidence that NYPA has a strong internal compliance program.

Guided Self-Certification of Compliance

NYPA was not required to self-certify compliance for any of the NERC Reliability Standards applicable to NYPA during this reporting period. Technical Compliance has established a rigorous process to ensure that compliance evidence is updated before NYPA self-certifies compliance.

NERC Risk-Based Compliance Monitoring and Enforcement Program

NPCC provided its final Inherent Risk Assessment ('IRA') report to NYPA in October. The final IRA report incorporated NYPA's feedback and identified 15 standards with 65 requirements for monitoring going forward. This represents approximately 25% of the total Operations and Planning standards/requirements currently applicable to NYPA, which would represent a significant reduction in external audit scope going forward. In addition, NYPA volunteered to participate in NPCC's Internal Controls Evaluation ('ICE') program. NYPA completed and submitted its Core Controls ICE information to NPCC in October. The NYPA Standards Specific Controls ICE information was submitted to NPCC in November. It is anticipated that NPCC will complete its review of NYPA's ICE documentation by the end of December 2015 and schedule an on-site visit to close out the ICE process in January 2016.

Bulk Electric System Definition

As stated in earlier reports, the Federal Energy Regulatory Commission ('FERC') approved the new Bulk Electric System ('BES') definition and that NYPA has identified over 40 new BES elements that will be subject to the NERC reliability standards in July 2016.

The adoption of the new BES definition may require NYPA to register as a Transmission Operator ('TOP') and/or a Transmission Planner ('TP'). During the reporting period, NYPA continued to participate in meetings with the New York State Independent System Operator ('NYISO') and the other NY Transmission Owners to assess new state-wide functional registration and compliance management impacts and actions pursuant to the new BES definition.

During the reporting period, NYPA continued to engage the NYISO in discussions regarding NYPA's request of the NYISO to add some of NYPA's newly identified BES elements to its list of controlled assets for Transmission Operator ('TOP') compliance purposes. NYPA is taking a position that since it does not operate most of its newly identified BES assets, in a NERC functional model sense, that it will not be registered as a TOP.

The Moses-Alcoa 115 kV transmission lines and the Plattsburgh 115 kV capacitor banks 5 and 6 exclusion exception requests ('EER') completed the initial review stage and were moved to substantive review stage by NPCC. Discussions with NERC, NPCC, Alcoa and NYPA on the Moses-Alcoa 115 kV transmission lines EER has resulted in the temporary suspension of the EER to allow NPCC to evaluate the reliability impact of these and other transmission lines on the BES.

NYPA continued to work with the NYISO regarding NYPA's responsibilities as a NERC registered Transmission Planner under a Coordinated Functional Registration ('CFR') agreement. Under the agreement, the NYISO will perform the functional responsibilities and have compliance

accountability for all but a few requirements under the transmission planning standards that apply to NYPA's assets. Additional discussions with the NYISO were held in October to determine the best way to incorporate NYPA's and NYISO's Transmission Planning ('TP') responsibilities pursuant to TPL-001-4 -Transmission System Planning Performance Requirements into the TP Compliance Responsibility Matrix. NYPA's Legal Department developed a draft side agreement to address NYISO's and NYPA's TPL-001-4 responsibilities. This agreement will be finalized before July 2016.

NYPA staff continued discussions with the NY Transmission Owners to reach agreements that clarify the roles and responsibilities for compliance management for the Transmission Owner ('TO') standards related to NYPA's assets operated and maintained by others.

NYPA signed a Memorandum of Understanding ('MOU') for this purpose with the Long Island Power Authority ('LIPA') in July 2015 pertaining to the East Garden City substation for the Y49 transmission line. NYPA's discussions with these organizations also focused on reaching agreements, before April 2016, for managing compliance with the Version 5 Critical Infrastructure Protection ('CIP') cyber security standards for assets owned by NYPA but that reside in facilities owned by others.

Critical Infrastructure Protection Standards - Version 5 (V5)

During the reporting period, NYPA's CIP V5 implementation project team continued to execute the transition plan to achieve compliance with the new cyber security standards requirements before the April 1, 2016 enforcement date. An assessment by NPCC's CIP V5 Outreach team was conducted on NYPA's approach for transitioning and they commended NYPA for the substantial progress that has been made to date.

The project implementation team is focusing on the completion of priority activities required for compliance with CIP requirements ahead of compliance objectives (cyber security best practices and initiatives) in the following areas by the end of the year:

- Updating of CIP policies and procedures;
- Identification and classification of all of BES Cyber Systems;
- Implementation of physical security controls; and
- Upgrades to the work management tools.

Following the completion of the above tasks, the team will start conducting Internal Readiness Assessments on NYPA's compliance posture transition to a CIPv5. These efforts will continue beyond the initial CIP V5 standard April 1, 2016 enforcement date into 2017 and include the completion of the compliance objectives, addressing the remaining CIP V5 requirements by the April 1, 2017 enforcement date and other compliance program enhancements to achieve CIP sustainability.

Physical Security Standard

As a result of information about an April 2013 coordinated physical attack on a Pacific Gas and Electric Corporation substation, several US Senators requested FERC and NERC to consider whether NERC should establish and enforce standards for physical security for critical electric facilities. As a result, NERC developed a new physical security standard (CIP-014-2 – Physical Security) which was approved by FERC on November 20, 2014 and became effective October 1, 2015.

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In September, NYPA completed its revised risk assessment of NYPA's transmission stations/substations as required under Requirement R1 of CIP-014-2. NYPA provided the revised risk assessment report to the NYISO in October. The NYISO has agreed to perform an independent verification of the NYPA risk assessment per Requirement R2."

DISCUSSION AGENDA

3. MWBE (Minority- and Women-Owned Business Enterprises) and SDVOB (Service-Disabled Veteran-Owned Business) Update

Mr. John Canale, Vice President of Procurement and Ms. Debra White, Director of Supplier Diversity Program, provided highlights of the Minority- and Women-owned Business Enterprises ('MWBE') and Service-Disabled Veteran-Owned ('SDVOB') business.

Mr. Canale provided an update on the Authority's supplier diversity program performance as well as some of the challenges the Authority is facing in meeting the new State-mandated goals as follows:

- **Supplier Diversity Program Update**

As of April 1, 2015 all NYS agencies were required to attain 30% in their MWBE Utilization Goals. This new goal represents a 400% increase over the last five years and is the highest goal in the nation.

As far as the Authority's performance through the first two fiscal quarters, \$38.2 million or 19% was awarded to NYS-certified MWBE firms. (Q1 ending June 30th, \$12 Million or 21%; and Q2 ending September 30th, \$26 million or 16%). Based on historic second half fiscal year spending, the Authority expects its overall performance to meet or exceed the prior year's goal of 20%.

- **SDVOB**

In January of this year, the Authority was selected by New York State Office of General Services ("OGS") as one of four NYS agencies and authorities to participate in a pilot program for Service-Disabled Veteran-Owned Businesses or SDVOBs. To date, nearly \$1M (969k) has been spent with such firms and the Authority has been acknowledged by OGS as one of the leading agencies in this effort. The Authority will exceed this year's 6% commitment on identified spending in this program.

- **Mentor Protégé Program**

In 2016, the Authority will move forward with its Request for Proposal ("RFP") to engage a subject matter expert to help define, design, analyze and assess its procurement practices and spending opportunities. The subject matter expert will identify vendors, and develop the best approach to mentorship opportunities to increase utilization and to increase the Authority's MWBE pool to handle larger and more complex projects.

- **Internal Audit**

In December of this year, Internal Audit completed an audit of the Authority's Supplier Diversity Program. The audit was rated satisfactory, and the process has allowed staff to identify additional protocols and control points which will help strengthen the program, overall.

- **MWBE performance to Goal by fiscal year**

With the exception of this year, the Authority has consistently met or exceeded its MWBE goals for this time period. In fact, NYPA has exceeded State goals since the program's inception; a 25-year proven track record.

Challenges Impacting the 30% Utilization Goal

The Authority will face some challenges in meeting the 30% utilization goal. A variance analysis was recently conducted to determine these reasons. The results of this analysis indicate the following:

- **Energy Services Contracts**

Energy Services have historically been the largest contributor to the Authority's MWBE goal attainment. MWBE Subcontracting opportunities are diminishing in this area as large construction projects are winding down.

Additionally, with the Authority's strategic energy initiatives shifting with respect to proposed new energy delivery methods, its role in this space will change even more and will offer fewer opportunities for MWBE utilization.

- **New York State Administrative Challenges**

NYS now requires agencies to only account for MWBE spending directly related to the work to be performed. In the past, the Authority was able to count secondary and tertiary spending toward contractor compliance. This is no longer acceptable and is impacting the Authority's performance.

- **Contracts with goals less than 30%**

Analyses of the Authority's contracts indicate that 76% of its active contracts entered into prior to April 30, 2015 contain goals less than 30%.

On several occasions ESD acknowledged that the energy industry is challenged due to the highly specialized nature of the work and equipment. Also, in many cases the Authority's suppliers requested and received goal reductions or goal waivers due to the type of work the Authority typically does.

Every waiver and goal reduction less than 30% requires documentation and justification and requires Executive Chamber review and concurrence.

Based on the Authority's experience and conversations with its supply chain, NYPA does not have the opportunity to require greater than 30% goals on major projects to help offset contracts approved with goal reductions. Therefore, any approved goal reduction will result in the Authority not meeting the State-mandated 30% goal. This is a problem with the Authority's performance reporting.

- **MWBE Vendor's losing Certification**

For a number of reasons, the Authority has recently lost several major MWBE business partners who have previously contributed millions of dollars to the Authority's overall MWBE bottom line. The Authority has become a victim of its own success, in that, many firms, through its efforts, have outgrown the program.

- **SDVOB Program Requirements**

The SDVOB Program is an admirable program and one the Authority is proud to support. The SDVOB program and the MWBE program are two entirely different programs, governed by two different State entities, Office of General Services and Empire State Development, respectively. This creates goal challenges for both programs and competition for the same or similar spending opportunities.

- **MWBE Spend Analysis**

An analysis of the Authority's recent spending opportunities was performed. The analysis compares the construction, commodities and services contract spending over the last five years. It illustrates in FY '12 and '13 how the Authority's Implementation Contractors ("IC") contracts peaked with construction activities. Moving forward, it illustrates NYPA's increased use of services-type contracts as it plans and designs for the next round of construction activities. Based on historical trends, it is anticipated that it will take approximately 18 – 24 months before the Authority sees an upturn in associated construction activities.

Ms. Debra White provided the following report on the steps the Authority plans to take to improve the Authority's goal attainment performance.

Current Path to 30%

- **Increasing dialogue with Empire State Development**

The Authority has increased documented dialogue with ESD addressing how contracts with goals of less than 30% impact its denominator. ESD has agreed that the Authority may remove any expenditure on any multi-year contracts entered into prior to 2010 from its denominator. This was accepted by the Authority and will increase the goal attainment for the first two fiscal quarters 2015 - 2016.

The Authority will continue to pursue the idea of having to meet 30% goals with ESD only where 30% contract goals exist. Given the unavailability of firms in the energy space and ESD's acknowledgement of that fact, further dialogue with them will be ensued to discuss the potential adjustment of the Authority's goals, given the unique nature of its industry.

- **Other than Low Bidder Award**

The Authority's Procurement guidelines provide for "other than low bidder" award based on factors including, but not limited to, the ability of a firm to meet or exceed supplier Diversity Program Goals. Procurement buyers have been reluctant to use this method because they are somewhat undefined. Authority staff will work with the Legal Department to define parameters and provide more guidance on this topic.

- **Maximize use of Discretionary Spending**

The Business Diversification Act allows the Authority to non-competitively bid directly to MWBE and small businesses for procurements under \$200k. Authority staff will work with key stakeholders to maximize discretionary spending in this area.

- **Re-assessing Product and Exclusions Lists**

Staff will work with the Legal Department and ESD to see if this list can be further expanded considering the anticipated future spending, for example, in such areas as Smart Grid technology and service.

- **Supplier Diversity Program Awareness**

Staff will promote Authority-wide awareness by using tools within the Corporate Communications department to promote SDP awareness by developing a corporate marketing campaign to "Think MWBE" in 2016. This will include MWBE profiles in the NYPA Newsroom, advertising, articles in Corporate Communications and a complete makeover of the SDP website and webpage, and more.

- **Supplier Diversity Program Best Practices**

Authority staff has been working with the Executive office to reinforce the importance of the MWBE program corporate-wide.

- A \$1 million contract was recently awarded to an MWBE firm specializing in marketing and communications to support the Authority in the upgrade of its internet site.
- A contract was awarded to a WBE firm specializing in a state-of-the-art process known as "ice blasting" to clean the Authority's industrial equipment.

MWBE goal attainment is not only a procurement function it is a corporate-wide responsibility. The surest path to success of the 30% goal is to get a consensus across all functions and contracting areas and make all levels of management accountable and

committed to achieving NYPA's goal. The SDP message should be effectively communicated both internally and, particularly, externally, to the Authority's vendors and suppliers. If those efforts are intentional and deliberate, NYPA will succeed. For more than 25 years the Authority has consistently met and exceeded its MWBE goals and will continue to do so.

In closing, Ms. White said NYPA has a lot to be proud of as it quickly approaches the billion dollar milestone in supplier diversity. That is a tribute to the hard work done in support of the Authority's Supplier Diversity Program and she is happy to have been a part of the success.

Chairperson Kress said she wanted to commend NYPA on its track record of approximately \$1 billion spend under the Supplier Diversity Program.

In response to a question from Trustee Nicandri, Ms. White said the bids from the disabled veterans are mainly related to the Authority's IT efforts – hardware and services – and a few construction projects. The SDVOB directory of firms is limited; but, as it grows, the opportunity to participate with the Authority increases. Mr. Canale added that the Authority, working with OGS, was able to award a lighting contract in the amount of \$340,000 to an SDVOB firm for the lighting of the Authority's building.

In response to a question from Authority Chairman Koelmel, Ms. White said most of the Authority's opportunities for MWBEs contracts is in Energy Efficiency; however, because there is a directional shift in terms of the Authority's energy efficiency services contracting, since it is acting more as a lender, it does not offer the same contracting opportunities to MWBEs as it did in the past.

In response to further questioning from Authority Chairman Koelmel, Ms. White said to date the Authority is at approximately 18% MWBE compliance, and anticipates achieving 20% compliance at the end of the fiscal year. The Authority will do everything it can to achieve the State-mandated 30% MWBE compliance.

In response to still further questioning from Authority Chairman Koelmel, Ms. White said since there are fewer opportunities to drive the 30% target, the Authority is making a concerted effort to maximize the opportunities that exist for MWBE participation and she will provide information to the Committee regarding how successful the Authority is in this regard. Mr. Canale added that the mentoring program will give smaller MWBE

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firms an opportunity to do larger construction work and this will be a key contributor to NYPA's achieving the 30% goal.

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

Mr. Chairman, I move that the Authority conduct an executive session pursuant to the Public Officers Law of the State of New York section §105 to discuss matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation. Upon motion made and seconded, an Executive Session was held.

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

Mr. Chairman, I move to resume the meeting in Open Session. Upon motion made and seconded, the meeting resumed in Open Session.

6. **Next Meeting**

Chairperson Kress said the next regular meeting of the Governance Committee is to be determined.

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Closing

Upon motion made and seconded, the meeting was adjourned by the Chair of the Committee at approximately 8:55 a.m.

Karen Delince
Corporate Secretary

December 17, 2015

EXHIBITS

For

December 17, 2015

Governance

Meeting Minutes

PROCUREMENT CONTRACT ACTIVITY
January – September 2015

The following is a summary of all procurement contracts including multi-year contracts awarded through September 30, 2015. These contracts have been active during 2015 and are \$5,000 or greater in value. There are 2,087 such contracts with a total estimated value of more than \$3.6 billion not including fossil fuel or corporate finance expenditures covered in Exhibits 2b-6 and 2b-7 of this report. The total expenditures thus far in 2015 have exceeded \$318 million for these contracts.

- 11% of these contracts are for construction work
- 42% are for the purchase of equipment and commodities
- 13% are for personal service contracts such as professional consulting services
- 2% are for architectural and engineering services
- 2% are for legal services
- 30% are for other services, such as maintenance, technicians, contracted personnel, maintenance and repairs.

Based on the total value of the contracts included in this summary, approximately 98% of the total dollars expended were for contracts that were competitively bid and approximately 2% were for sole/single-source awards. The basis for the sole/single-source awards included the purchase of highly specialized spare parts and services from original equipment manufacturers, procurement of services on an emergency basis, proprietary sources, procurement from New York State-certified Minority- and Women-owned Business Enterprises (MWBES) and NYS Small Business Enterprises (SBEs).

DISPOSAL OF PERSONAL PROPERTY
January – September 2015

2015 YTD Report of Disposal of Personal Property

Public Authorities Law (“PAL”) § 2896, enacted as part of the Public Authorities Accountability Act of 2005 (“PAAA”), as amended by the Public Authorities Reform Act of 2009 (“PARA”), requires the Authority to prepare a report, not less frequently than annually, listing all Personal Property disposed of during the reporting period. Furthermore, pursuant to Subsection C.5 of the Authority’s Governance Committee Charter relating to Reports, the Vice President of Procurement is required to report to the Committee at all regularly scheduled meetings. To that end, the 2015 YTD Report of Disposal of Personal Property over \$5,000 in value is attached. The description of the property, purchaser’s name and price received by the Authority, as required by PAL § 2896, will be presented in the official 2015 Annual Report of Disposal of Personal Property for review and approval by the full Board of Trustees at their March 2016 meeting, referenced in the Authority’s § 2800 Annual Report and included in other filings with various State entities, in compliance with applicable law. The sale price and other additional data (such as fair market value, date of transaction, full address of purchaser, etc.) required by the Authorities Budget Office (“ABO”) will be included in the 2015 Public Authorities Reporting Information System (“PARIS”) Annual Report of Personal Property Disposal for submittal to the ABO by March 31, 2016.

FACILITIES – Third Quarter Activity

There were no Facilities-related transactions during the 3rd Quarter.

FACILITIES – YTD Summary and Subtotal

Year-to-date, there were three (3) Personal Property Disposal transactions over \$5,000 in value, as further set forth on page 1 of the attached Report. Of this number, one was for the disposal of two transformers on behalf of the Niagara Project, resulting in payment to the Authority of \$74,928.50; one was for the reclamation of used R-11 refrigerant at the Clark Energy Center, resulting in payment to the Authority of \$7,254.00 and one transaction was for the sale of scrap metals at the Niagara Project, conducted under an existing competitively bid contract with Niagara Metals, resulting in payment to the Authority of \$17,672.90.

The **2015 YTD Total “Price Received by the Authority” for these three Personal Property Disposal transactions over \$5,000 conducted by or on behalf of the Property Disposal Coordinators (“PDCs”) at the Facilities was \$99,855.40.**

FLEET – Third Quarter Activity

There were no Fleet-related transactions during the 3rd Quarter.

FLEET – YTD Summary and Subtotal

Year-to-date, the Authority participated in one Fleet-related auction conducted on behalf of the Authority’s Fleet Operations Division by the firm Auctions International, Inc. (of Buffalo, NY) on June 20, 2015 at L&L Storage in Utica, NY. Such auction, which consisted of both a physical presence as well as an online component, resulted in the sale of a total of 62 units or lots

comprising light duty vehicles, heavy duty trucks and special equipment. Of this number, there were 22 disposal transactions with a Sale Price over \$5,000, which are listed on pages 2-3 of the attached Report. The auction "Sale Price" (Gross) for these 22 units or lots was \$307,200.00, which resulted in a "Price Received by the Authority" (Net Amount) of \$303,920.00 after transportation and other costs were deducted.

In summary, the **2015 YTD Fleet Total "Price Received by the Authority" for the 22 auction transactions over \$5,000 was \$303,920.00.**

Grand Total as of 09/30/15

As summarized on page 3 of the attached Report, the **2015 YTD Grand Total "Price Received by the Authority" (Net Amount)** for all Personal Property in excess of \$5,000 was **\$403,775.40** [Sale Price (Gross) \$407,055.40 less \$3,280.00 (transportation and other costs, where applicable)]. (It should be noted that an additional \$52,470.00 was received for the sale of 40 Fleet units with a value less than or equal to \$5,000, which are therefore not included in the attached Report.)

POWER AUTHORITY OF THE STATE OF NEW YORK
2015 YTD REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

DESCRIPTION	PURCHASER	SALE PRICE	PRICE RECEIVED by the Authority
2 TRANSFORMERS AT NIAGARA PROJECT	TCI OF NY LLC	\$ 74,928.50	\$ 74,928.50
USED R-11 REFRIGERANT AT CLARK ENERGY CENTER	AIRGAS REFRIGERANTS INC	\$ 7,254.00	\$ 7,254.00
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 17,672.90	\$ 17,672.90
	SUBTOTAL:	\$ 99,855.40	\$ 99,855.40

POWER AUTHORITY OF THE STATE OF NEW YORK
2015 YTD REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000
FLEET OPERATIONS

DESCRIPTION	PURCHASER	SALE PRICE	Transportation and Other Fees	PRICE RECEIVED * by the Authority
1993 FELLER BUNCHE HYDRO-AX	PREMIER TREE SERVICE	\$ 71,000.00	\$ 200.00	\$ 70,800.00
2002 JACOBSEN HR9016 MOWER	LAMONICA MOTOR SALES INC	\$ 10,000.00	\$ 150.00	\$ 9,850.00
2003 CATERPILLAR LOADER	NORTHEAST HEAVY EQUIPMENT	\$ 24,500.00	\$ 160.00	\$ 24,340.00
2003 JLG 660SJC MANLIFT	LEO CORMIER	\$ 13,000.00	\$ 160.00	\$ 12,840.00
2004 FORD F350 UTILITY	SENECAL	\$ 5,750.00	\$ 140.00	\$ 5,610.00
2004 TRAILER LOWBOY TRAILER	MARTIN SMITH	\$ 11,000.00	\$ 160.00	\$ 10,840.00
2005 CHEVY K250 UTILITY	THE CAR STORE INC	\$ 8,250.00	\$ 140.00	\$ 8,110.00
2006 CATERPILLAR IT38G LOADER	VILLAGE TRUCK SALES INC	\$ 47,000.00	\$ 200.00	\$ 46,800.00
2006 CHEVY C350 PICKUP	THE CAR STORE INC	\$ 5,200.00	\$ 140.00	\$ 5,060.00
2006 JACOBSEN T628 MOWER	BRAVO AUTO SALES INC	\$ 5,400.00	\$ 150.00	\$ 5,250.00
2007 CHEVY TAHOE	COTRUPE AUTO SALES	\$ 11,900.00	\$ 140.00	\$ 11,760.00
2007 FORD F350 PICKUP	SENECAL	\$ 8,500.00	\$ 140.00	\$ 8,360.00
2008 FORD F350 PICKUP	LAMONICA MOTOR SALES INC	\$ 11,000.00	\$ 140.00	\$ 10,860.00
2008 FORD F350 PICKUP	THE CAR STORE INC	\$ 16,600.00	\$ 140.00	\$ 16,460.00
2008 FORD F350 UTILITY	SENECAL	\$ 6,700.00	\$ 140.00	\$ 6,560.00
2008 FORD F550 PICKUP	VILLAGE TRUCK SALES INC	\$ 7,250.00	\$ 140.00	\$ 7,110.00
2008 FORD F550 UTILITY	NORTHEAST HEAVY EQUIPMENT	\$ 7,800.00	\$ 140.00	\$ 7,660.00
2009 DODGE DURANGO	GREGORY ORDON	\$ 7,100.00	\$ 140.00	\$ 6,960.00
2009 DODGE DURANGO	LAMONICA MOTOR SALES INC	\$ 6,500.00	\$ 140.00	\$ 6,360.00
2010 CHEVY TAHOE	BRAVO AUTO SALES INC	\$ 6,750.00	\$ 140.00	\$ 6,610.00

* Sale Price less transportation and other costs. Includes items where the Sale Price and/or the estimated Fair Market Value exceeded \$5,000.

POWER AUTHORITY OF THE STATE OF NEW YORK
2015 YTD REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000
FLEET OPERATIONS

DESCRIPTION	PURCHASER	SALE PRICE	Transportation and Other Fees	PRICE RECEIVED * by the Authority
2010 CHEVY TAHOE	THE CAR STORE INC	\$ 7,000.00	\$ 140.00	\$ 6,860.00
2012 CHEVY TAHOE	BRAVO AUTO SALES INC	\$ 9,000.00	\$ 140.00	\$ 8,860.00
FLEET SUBTOTAL:		\$ 307,200.00	\$ 3,280.00	\$ 303,920.00
+ SUBTOTAL Page 1:		<u>\$ 99,855.40</u>	\$ --	<u>\$ 99,855.40</u>
GRAND TOTAL:		<u>\$ 407,055.40</u>	\$ 3,280.00	<u>\$ 403,775.40</u>

* Sale Price less transportation and other costs. Includes items where the Sale Price and/or the estimated Fair Market Value exceeded \$5,000.

ACQUISITION AND DISPOSAL OF REAL PROPERTY
January - September 2015

Section 2896 of the Public Authorities Law (PAL) requires a report setting out all real property transactions of the Authority over a given reporting period. Such report shall consist of a list and full description of all real property disposed of during such period. The report shall contain the price received by the Authority and the name of the purchaser. There is no monetary threshold, so all disposals regardless of value need to be reported. In addition, acquisitions and leasing transactions are also included in this report. All acquisitions and dispositions reported herein were approved by the Authority's Trustees and/or are consistent with current Trustee-approved Expenditure Authorization Procedures. The reporting period is January 1 – September 30, 2015.

I. ACQUISITIONS

1.) Acquisitions by Deed or Easement:

David and Karen Killian - Acquisition of a permanent easement for cutting, trimming, and removing trees and brush in the Town of New Haven, County of Oswego (Map No. OSN-453, Parcel No. 453) from David and Karen Killian on August 3, 2015. The consideration was \$985.00. The easement was recorded on August 24, 2015.

2.) Danger Tree Permits:

During this reporting period, the Authority acquired 104 danger tree permits. These rights allow the Authority to eliminate dangerous vegetation which is critical to the safe operation of the New York State transmission grid. The transmission facilities covered by these danger tree permits include the Niagara-Adirondack, Fitz-Edic, Moses-Willis, and Gilboa-New Scotland.

II. DISPOSITIONS

1.) Dispositions by Deed or Easement:

Niagara University - Conveyance of 13.1 acres in the City of Niagara Falls, Niagara County to Niagara University (Map No. 337-C, Parcel No. 3265). The consideration was \$1.00. The deed was recorded on February 12, 2015. The transfer satisfies a Niagara Power Project relicensing commitment and was authorized by the Authority's Board of Trustees on May 22, 2007.

Paul and Lucille Izzo - Conveyance of 7.4 acres of surplus land (Map No. 18-C, Parcels 522-A and 522-B) in the Town of Gilboa, Schoharie County to Paul and Lucille Izzo on April 23, 2015. The consideration was \$12,000, which was the appraised value. This transaction was authorized by the Authority's Board of Trustees in their meeting of March 26, 2015. The deed was recorded on May 7, 2015.

City of Niagara Falls - Conveyance of 48.65 acres to the City of Niagara Falls (Map No. 1305, Parcel No. 1305) on February 20, 2015. The deed was recorded on May 14, 2015. The consideration for this transaction was \$1.00. This transfer satisfies a Niagara

Power Project relicensing commitment and was authorized by the Authority's Board of Trustees in their meeting of May 22, 2007.

Rochester Gas & Electric Corporation - Conveyance of 16.78 acres of surplus land (Parcel No. 2001) in the Town of Henrietta, Monroe County to Rochester Gas & Electric Corporation on June 12, 2015. The consideration for this transaction was \$60,000, and the appraised value was \$45,000. The conveyance was authorized by the Authority's Board of Trustees on December 16, 2014.

2.) Land Use Permits:

During this reporting period, the real estate group issued 22 land use permits for use of the Authority's real property, both fee-owned and held by easement:

LAND USE PERMITS			
Permit No.	Town/ Issue Date	Permittee	Purpose
CEC-15-95P	Russia 2/23/15	Adirondack Foothills Rotary, Inc.	Utilize NYPA's boat launch on the Hinckley Reservoir from February 21- February 28th, for a fishing tournament on the 28th.
ICP-15-179P	Queens 9/10/15	Terra Cotta LLC	Perform gauging of groundwater monitoring wells and carry out geotechnical borings via barge drilling.
MS-15-129P	New Windsor 4/29/15	Central Hudson Gas & Electric Corporation	Construct and install a permanent access road across the Authority ROW.
MS-15-141P	Franklin 8/11/15	Constitution Pipeline Company, LLC	Install and operate a 30" diameter natural gas pipeline on or across portions of Authority ROW.
MS-15-146P	Oneonta 6/1/15	Jeffery Barnes	Haul stone and related materials across the Authority ROW.
MS-15-177P	Hamptonburgh 9/4/15	Central Hudson Gas & Electric Corporation	Replace a 40' utility pole with a 45' utility pole.
NATL-14-4P	Marcy 2/13/15	Joseph Proulx	Construct and install a 12' x 600' driveway for a residential home and a 2" underground water line, sewer line, and electrical services.
NATL-14-23P	Camden 2/23/15	Orlando Gerena	Construct and install a 1,350' wire weld fence.
NATL-15-166P	Genesee 6/25/15	Alabama Ledge Wind Farm, LLC	Operate and maintain existing wind measuring equipment on the Authority's Batavia Communications Tower.
NATL-15-167P	Henrietta 7/16/15	Rochester Gas & Electric Corporation	Access to perform soil boring investigations and other environmental tests.
NPP-14-17P	Niagara Falls 9/4/15	Niagara Active Volunteer Fire Company	Access to carry out occasional training exercises and/or practice drills on an ongoing basis.
NPP-15-39P	Lewiston 4/13/15	Ernest Hasely	Access for growing and harvesting agricultural crops.
NPP-15-114P	Niagara Falls 6/18/15	New York State Office of Parks, Recreation and Historic Preservation	Construct and maintain a Park Police Station on Power Authority property.
NPP-15-142P	Buffalo 5/20/15	Erie Canal Harbor Development Corporation	Establish and operate a bike ferry at the First Buffalo Marina.

NPP-15-163P	Niagara Falls 6/29/15	Gabriel the Archangel, LLC	Expand a parking lot and relocate a fiberglass sign.
SLPP-15-79P	Ogdensburg 2/18/15	Adirondack Raptors	Banding snowy owls through a US Fish and Wildlife Service-sponsored research project called Project Snowstorm.
SLPP-15-154P	Massena 7/13/15	Alcoa, Inc.	Perform environmental sampling to comply with the Environmental Protection Agency's record of decision.
SLPP-15-169P	Waddington 7/7/15	Majestic Fireworks Inc.	Access to Ogden Island to set up and display fireworks for Homecoming weekend.
SLPP-15-174P	Waddington 7/17/15	Village of Waddington	Access to Whittaker Park for the Village's "Party in the Park" event.
WPO-14-3P	White Plains 1/14/15	Cablevision Lightpath, Inc.	Place and maintain communications equipment at the Authority's premises located at 123 Main Street, White Plains.
WPO-15-58P	White Plains 4/30/15	Office of the Westchester County District Attorney	Use of 1,506 square feet of rentable office space of Authority's premises located at 123 Main Street, White Plains.
WPO-15-59P	White Plains 4/30/15	Office of the Westchester County District Attorney	Use of 3,052 square feet of rentable office space of Authority's premises located at 123 Main Street, White Plains.

III. MISCELLANEOUS TRANSACTIONS

Great Lakes Towing Company

During this reporting period, NYPA entered into a three-year license agreement with the Great Lakes Towing Company authorizing said firm to utilize dock space on Authority property in the City of Buffalo for mooring 2 tugboats. The License commenced August 1, 2015 and expires July 31, 2018 and includes an additional three-year option term. The monthly payment for the fixed term is \$787.50.

Niagara University

During this reporting period, NYPA entered into an Entry Site Work Permit Agreement with Niagara University to allow NYPA to conduct maintenance of the Monteaule Trail and for the storage of equipment and materials. This Permit expired on August 31, 2015.

The City of Utica and the Utica Zoological Society

During this reporting period, NYPA entered into an agreement with the City of Utica and the Utica Zoological Society to conduct environmental testing and related work to assess the feasibility of constructing a visitor's center on the Zoo premises. This agreement was executed on September 24, 2015 and will expire on September 24, 2017.

Niagara University

During this reporting period, NYPA entered into a 5-year agreement with Niagara University authorizing said organization to perform certain additional grounds maintenance and landscaping work on property owned by NYPA in Niagara Falls, New York. This agreement was executed on August 18, 2015 and will expire on August 18, 2020.

Buffalo River Fest Park, LLC

During this reporting period, NYPA entered into a 3-year agreement with Buffalo River Fest Park, LLC authorizing said organization to operate and maintain the "Mutual Riverfront Park" in Buffalo, New York. This agreement was executed on June 24, 2015 and will expire December 31, 2017.

IV. LEASING

1.) Landlord Leases:

Community Mutual Savings Bank

During this reporting period NYPA Real Estate extended an existing lease for 7,334 rentable square feet for the purpose of office space located on the 7th floor of the Authority's 123 Main Street Building in White Plains, New York. The term of this lease extension was from May 1, 2015 - July 31, 2015. The tenant has now vacated the building.

Westchester Philharmonic

During this reporting period NYPA Real Estate extended an existing lease for 1,650 square feet of office space on the 9th floor of the Authority's 123 Main Street Building in White Plains, New York. The term of this lease extension is from January 1, 2015 - December 31, 2021.

Camille's Sidewalk Café

Entered into a 5-year operating agreement with a 5-year renewal option to provide cafeteria services on the main floor of the Authority's 123 Main Street Building in White Plains, New York.

2.) Tenant Leases:

Fuller Road Management Corporation

During this reporting period, Real Estate staff successfully negotiated and finalized the terms of a ten-year lease for approximately 5,600 square feet of space in the ZEN Building on the campus of the SUNY Polytechnic in Albany, New York. This space is for the offices of the NYS Energy Manager. The initial annual rent is \$112,000, with annual increases of 3%. This lease commences on August 24, 2015.

Wheatfield Business Park, LLC

During this reporting period, NYPA Real Estate terminated a lease for warehouse space located at the Wheatfield Business Park in Wheatfield, New York. This lease ended on April 30, 2015.

Fuller Road Management Corporation

During this reporting period, NYPA Real Estate executed a lease amendment with Fuller Road Management Corporation to revise parking terms with respect to the existing offices for the New York Energy Manager, located on the campus of SUNY Polytechnic in Albany, New York.

Empire State Development Corporation

During this reporting period NYPA Real Estate terminated a lease for office space located at 95 Perry Street in Buffalo, New York. This lease ended on January 31, 2015.

V. ST. LAWRENCE RELICENSING

1.) St. Lawrence Lands Program:

On October 31, 2001, the Authority filed an application for a new license, pursuant to Sections 4(e) and 15 of the Federal Power Act for the continued operation and maintenance of the 912 megawatt (MW) St. Lawrence/FDR Power Project. On February 6, 2003, the Authority filed a "Comprehensive Accord" (Settlement Agreement). On October 23, 2003, the Federal Energy Regulation Commission (hereinafter "FERC") issued an "Order Approving Settlement Agreements, Dismissing Complaint and Issuing New License" in which FERC *inter alia* approved the Settlement Agreement.

As part of the Settlement Agreement, the Authority agreed to several changes to the Project boundary. These proposed changes removed approximately 1,340 acres from the Project. Approximately 599 acres of the removed lands are intended to be conveyed either to adjoining landowners or to the affected local municipality, if interested. For all conveyed lands, the Authority retains flowage and access easements, to provide necessary rights to traverse conveyed lands for Project-related activities.

DEEDS FILED						
NYPA Surplus Map No.	NYPA Surplus Parcel No.	Current Owner Name	Acreage	Appraisal Value	Filing Date	Town
1205C	8726,8727	Timothy T. Brady	1.44	\$3,540.00	1/21/2015	Waddington
1178C	8520	John R. Boyce	.21	\$3,150.00	6/3/2015	Louisville
1132C	8578	Donald F. Smith	.02	\$100.00	6/3/2015	Louisville
1174C	8464	Jordi Parisian and Virginia Gettmann	.24	\$3,600.00	8/18/2015	Louisville
1175C	8465	Douglas and Nancy Ackley	.29	\$4,350.00	8/18/2015	Louisville
1177C	8506	Karen Singleton	.15	\$2,250.00	9/17/2015	Louisville
1149C	8227	David McBath and Cheryl Thisse	.03	\$300.00	9/17/2015	Waddington
1177C	8499	The Norman and Lisa Austin Family Trust	.23	\$3,300.00	9/24/2015	Louisville
1179C	8539	Kathy Green and Shawna Cecot	.11	\$1,300.00	9/24/2015	Louisville

During this period 9 deeds were finalized and recorded in the County Clerk's office. To date, 522 of the 599 acres have been conveyed. Of the approximately 520 private parcels to be conveyed, approximately 446 transactions have been completed. The remaining properties have been offered to the landowners or municipalities as agreed. In the majority of these cases the landowners or municipalities have indicated that they do not wish to acquire the properties in question.

SUPPLIER DIVERSITY PROGRAM (SDP)
January – September 2015

In the quarter ending September 30, 2015, NYPA awarded \$12.0 million or 15.82% of our reportable expenditures to New York State-certified Minority and Women-Owned Business Enterprises (MWBEs). From January 2015 through September 30, 2015, the Authority awarded \$38.2 million or 19% of our reportable expenditures to NYS-certified MWBEs. This includes both direct contracts and subcontracts, including construction and energy efficiency-related work. As of April 1, 2015, thirty percent (30%) MWBE participation goals are now in effect for all New York State agencies and authorities.

It should be noted that during the first nine (9) months of calendar year 2015, Treasury's transactions with five (5) different NYS-certified MWBE financial dealers totaled over \$159.1 million or 29.5% in principal sales and purchases for the Authority.

The Authority was selected as one of four (4) NYS authorities to participate in the NYS Office of General Services pilot program for Service Disabled Veteran-Owned Businesses (SDVOBs). To date over \$969k has been spent with such firms and the Authority has been recognized as one of the leading agencies in this effort since the Program's introduction in January of 2015.

The Authority was also selected to participate in NYS's first Mentor Protégé Program (MPP) pilot. The goal of this initiative is to build capacity in industries where availability of MWBEs exists, but with limited capacity to perform on state contracts due to technical or scalability challenges. The selection of the Authority in this pilot comes as the Authority prepares to issue an RFP of its own to establish a Mentor Protégé Program. The RFP is expected to be issued the first quarter of next year.

Work continues on the New York State Contract System (NYSCS) Compliance Interface. The development, on-boarding and implementation of this requirement is being executed in conjunction with Empire State Development Corporation. This module requires state agencies and authorities to input all state contracting data for contract compliance, monitoring and reporting.

INVENTORY STATISTICS
January – September 2015

Facility	2015	2014
Niagara	20,389,843	20,125,054
St. Lawrence	12,273,884	11,564,671
Blenheim-Gilboa	8,629,964	8,831,726
Clark Energy Center	5,630,072	5,491,892
Poletti Project	8,126,820	7,976,859
Flynn Project	14,288,459	13,439,831
500 MW Project	25,396,804	25,212,270
Total Stock Value	\$ 94,735,846	\$ 92,642,303

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - SEPTEMBER 2015
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879**

**Exhibit 2b-6
December 17, 2015**

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R N A	O P A	M W B E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2013	CONTRACT BALANCE	DATE OF CONTRACT	O \ C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-1990-33	NORTHVILLE INDUSTRIES CORP (Formerly TOSCO PIPELINE COMPANY) 25 Melville Park Rd Melville, NY 11747	Oil Storage Agmt (SETAUKET)	E	S	9	F			13,998,163	13,998,163	430,529	0	04/01/94	O	03/31/19	
FD-1990-34	NORTHVILLE INDUSTRIES CORP (Formerly TOSCO PIPELINE COMPANY) 25 Melville Park Rd Melville, NY 11747	Oil Storage Agmt. (HOLTSVILLE)	E	S	9	F			4,324,408	4,324,408	107,632	0	10/01/93	O	09/30/18	
FD-2001-23	SEMPRA 58 Commerce Road Stamford, CT 06902	Natural Gas Purchase	E	B		F		39	168,290,671	168,290,671	0	0	12/01/01	O	*	
FD-2002-11	PSEG ENERGY RESOURCES 80 Park Plaza Fl T19 Newark, NJ 07102	Natural Gas Purchase	E	B		F		39	11,017,721	11,017,721	0	0	11/01/02	O	*	
FD-2003-09	J. ARON 85 Broad Street New York, NY 10004	Natural Gas Purchase	E	B		F		39	83,241,402	83,241,402	0	0	04/22/03	O	*	
FD-2003-10	BP ENERGY COMPANY 501 WestLake Park Houston, TX 77253	Natural Gas Purchase	E	B		F		39	206,642,957	206,642,957	0	0	10/01/04	O	*	
FD-2003-12	CONSTELLATION POWER SOURCE 111 MARKET Place BALTIMORE, MD 21202	Natural Gas Purchase	E	B		F		39	55,860,651	55,860,651	0	0	06/09/03	O	*	
FD-2003-15	VIRGINIA POWER ENERGY MARKETING P. O. Box 25773 Richmond, VA 23360	Natural Gas Purchase	E	B		F		39	629,265,426	629,265,426	0	0	07/11/03	O	*	
FD-2004-08	SHELL ENERGY NA (formerly) CORAL ENERGY 909 Fannin Plaza Houston, TX 77010	Natural Gas Purchase	E	B		F		39	76,776,279	76,776,279	971,932	0	04/01/04	O	*	
FD-2004-09	SOUTHWEST ENERGY LP Two Greenway Plaza Houston, TX 77046	Natural Gas Purchase	E	B		F		39	180,117,537	180,117,537	0	0	06/01/04	O	*	
FD-2005-02	BOSS ENERGY LTD 20445 State Hwy 249 Houston, TX 77070	Natural Gas Purchase	E	B		F		39	73,839,766	73,839,766	0	0	01/25/05	O	*	
FD-2005-12	NJR ENERGY SERVICES CO. 1415 Wyckoff Road Wall, NJ 07719	Natural Gas Purchase	E	B		F		39	408,044,996	408,044,996	38,885,443	0	09/01/05	O	*	
FD-2006-03	UBS AG / UBS ENERGY LLC 677 Washington Blvd Stamford, CT 06901	Natural Gas Purchase	E	B		F		39	126,500,213	126,500,213	0	0	07/28/06	O	*	
FD-2006-05	PETROCOM VENTURES LTD 1616 S Voss Suite 945 Houston, TX 77057	Natural Gas Purchase	E	B		F		39	44,715,916	44,715,916	0	0	07/21/06	O	*	

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - SEPTEMBER 2015
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879**

**Exhibit 2b-6
December 17, 2015**

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R A	O P A	M W B E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2013	CONTRACT BALANCE	DATE OF CONTRACT	O \ C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2006-07	TEXAS GAS TRANSMISSION 3800 Frederica Street Owensboro, KY 42301	Firm Gas Transport/Demand Agreement	S	S		F			30,120,813	30,120,813	1,623,611	0	07/01/06	O	10/31/16	
FD-2006-08	DOMINION TRANSMISSION 120 Tredegar Street Richmond, VA 23219	Firm Gas Transport/Demand Agreement	S	S		F			23,208,816	23,208,816	1,492,706	0	07/01/06	O	10/31/16	
FD-2006-09	TRANSCONTINENTAL GAS PIPELINE (TGPL 5316) 2800 Post Oak Blvd Houston, TX 77056	Firm Gas Transport/Demand Agreement	S	S		F			14,306,039	14,306,039	1,161,962	0	08/04/06	O	03/31/17	
FD-2006-12	TENASKA MARKETING VENTURES 11718 Nicholas Street Omaha, NE 68154	Natural Gas Purchase	E	B		F		39	24,432,108	24,432,108	0	0	10/01/06	O	*	
FD-2007-08	SPARK ENERGY GAS 3010 Briarpark Dr. Suite 550 Houston, TX 77042	Natural Gas Purchase	E	B		F		39	206,052,210	206,052,210	30,616,055	0	02/14/07	O	*	
FD-2007-09	INUPIAT ENERGY (Formerly ENJET, INC) 5373 West Alabama- Suite 502 Houston, TX 77056	Natural Gas Purchase	E	B		F		39	148,511,468	148,511,468	0	0	03/21/07	O	*	
FD-2007-10	ASTORIA GENERATING COMPANY, LP 18-01 20th Avenue Astoria, New York 11105	Oil Delivery Labor Fees	S	S		F			60,771	60,771	0	0	07/17/06	O	*	
FD-2008-01	eCORP ENERGY MARKETING TEN THOUSAND MEMORIAL Houston, TX 77024-3410	Natural Gas Purchase	E	B		F		39	72,450	72,450	0	0	02/01/08	O	*	
FD-2008-02	CIMA-ENERGY LTD. 1221 McKinney Houston, Tx 77010	Natural Gas Purchase	E	B		F		39	14,597,304	14,597,304	0	0	03/01/08	O	*	
FD-2008-05	SEQUENT ENERGY MGT 1200 Smith Street Houston, TX 77010	Natural Gas Purchase	E	B		F		39	36,558,006	36,558,006	0	0	03/01/08	O	*	
FD-2008-06	MACQUARIE COOK ENERGY 10100 Santa Monica Blvd los Angeles, CA 90067	Natural Gas Purchase	E	B		F		39	47,096,447	47,096,447	0	0	07/01/08	O	*	
FD-2008-09	CON EDISON, INC. (Balancing & Demand) 4 Irving Place New York, NY 10003	Transport & Balancing Service	E	S	9	F			26,207,628	26,207,628	1,418,776	0	08/01/08	O	04/30/16	
FD-2008-10	UNITED ENERGY TRADING, LLC 215 Union Blvd. Suite 425 Lakewood CO 80228	Natural Gas Purchase	E	B		F		39	158,316,320	158,316,320	25,150,274	0	11/19/08	O	*	
FD-2008-12	eSERVICES, LLC 4461 Cox Road, Suite 113, Glenn Allen, Virginia 23060	Natural Gas Purchase	E	B		F		39	520,725	520,725	0	0	12/01/08	O	*	

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - SEPTEMBER 2015
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879**

**Exhibit 2b-6
December 17, 2015**

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R O A	O P A	M B E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2013	CONTRACT BALANCE	DATE OF CONTRACT	O \ C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2009-07	CONOCO PHILLIPS COMPANY 600 North Dairy Ashford Houston, TX 77079	Natural Gas Purchase	E	B		F		39	31,683,468	31,683,468	317,970	0	05/01/09	O	*	
FD-2010-01	JLA ENERGY LLC Two Riverway, Suite 730 Houston, Tx 77056	Natural Gas Purchase	E	B		F		39	1,286,927	1,286,927	0	0	02/01/10	O	*	
FD-2010-02	IBERDROLA RENEWABLES 1125 N.W. Couch St. Suite 700 Portland, OR 97209	Natural Gas Purchase	E	B		F		39	17,480,234	17,480,234	1,712,185	0	08/09/10	O	*	
FD-2011-01	BG ENERGY MERCHANTS, LLC 5444 Westheimer Suite 1200 Houston, Tx 77056	Natural Gas Purchase	E	B		F		39	79,245,677	79,245,677	2,381,498	0	03/01/11	O	*	
FD-2011-02	YAKA ENERGY, LLC 46411 Timine Way Pendleton, OR 97801	Natural Gas Purchase	E	B		F	X	39	12,266,833	12,266,833	0	0	03/01/11	O	*	
FD-2011-06	EDF Trading N. America, LLC 4700 West Sam Houston Pky North Suite 25 Houston, Tx 77041	Natural Gas Purchase	E	B		F		39	170,858,313	170,858,313	9,373,129	0	06/01/11	O	*	
FD-2011-11	STATOIL NATURAL GAS, LLC 120 Long Ridge Road, Stamford CT 06902	Natural Gas Purchase	E	B		F		39	14,573,571	14,573,571	819,010	0	04/18/12	O	*	
FD-2011-12	CHESAPEAKE ENERGY MARKING, INC 900NW 63 Road, Oklahoma City OK 73118	Natural Gas Purchase	E	B		F		39	12,093,499	12,093,499	1,232,741	0	05/28/13	O	*	
FD-2012-02	REPSOL ENERGY NORTH AMERICA 2001 Timberloch Place Suite 3000 The Woodlands, Tx 77380	Natural Gas Purchase	E	B		F		39	36,493,916	36,493,916	3,010,237	0	11/13/12	O	*	
FD-2013-08	SAYBOLT LP Core Laboratories 6316 Windfern Rd, Houston Texas 77040	Oil Inspectors	S	B		F			23,377	23,377	6,153	0	01/01/14	O	12/31/16	
FD-2014-14	nationalgrid-NY(GKP) One Metrotech Center Brooklyn, NY 11201	Transport Service	E	S	9	F			1,247,268	1,247,268	763,529	0	06/01/14	O	05/31/17	
FD-2014-15	nationalgrid -LI(Brentwood) 100 E Old County Rd Hicksville, NY 11801	Transport Service	E	S	9	F			640,741	640,741	291,535	0	06/01/14	O	05/31/17	
FD-2014-17	Pacific Summit Energy, LLC 4675 MacAuthor Court Suite 725 The Woodlands, Tx 77830	Natural Gas Purchase	E	B		F		39	29,319,849	29,319,849	22,243,893	0	08/11/14	O	*	
FD-2015-01	APEX Oil CO INC 8235 Forsyth Blvd Suite 400 Saint Louis, Mo 63105	OIL PURCHASE	S	B		F		11	5,421,063	5,421,063	5,421,063	0	02/18/15	C		02/20/15

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - SEPTEMBER 2015
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Exhibit 2b-6
December 17, 2015

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R N A	O P A	M W B E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2013	CONTRACT BALANCE	DATE OF CONTRACT	O C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2015-02	NORTHVILLE INDUST. CORP NIC 25 Melville Park Road Melville, NY 11747	OIL PURCHASE	S	B		F		11	551,728	551,728	5,551,728	0	02/20/15	C		02/24/15
FD-2015-03	Cabot Oil & Gas Corporation Three Memorial Plaza 840 Gessner Road Houston, Tx 77024-4152	Natural Gas Purchase	E	B		F		39	2,439,304	2,439,304	2,439,304	0	03/02/15	O	*	
FD-2015-04	nationalgrid -LI (Flynn) 100 E Old County Rd Hicksville, NY 11801	Transport Service	E	S	9	F			1,343,347	1,343,347	1,343,347	0	01/01/15	O	03/31/17	
FS-1994-17	MERRILL LYNCH (Formerly ENTERGY-KOCH TRADING (FORMERLY KOCH)) 20 E Greenway Plaza Houston, TX 77046	Natural Gas Purchase	E	B		F		39	275,727,570	275,727,570	1,022,253	0	07/01/94	O	*	
FS-1997-22	COLONIAL ENERGY 2 Riverway Suite 2000 Houston, TX 77056	Natural Gas Purchase	E	B		F		39	496,551,088	496,551,088	9,694,852	0	05/01/97	O	*	
FUELS TOTALS									4,001,944,984	4,001,944,984	169,483,347	0				

NOTE:

* Contract continues until terminated by NYPA or counterparty upon specified notice

(1) Natural gas purchase transactions are effected, as needed, based on current prices and requirements, using the previously agreed upon general terms and conditions.



**NY Power
Authority**

Supplier Diversity Program Our Path to 30%

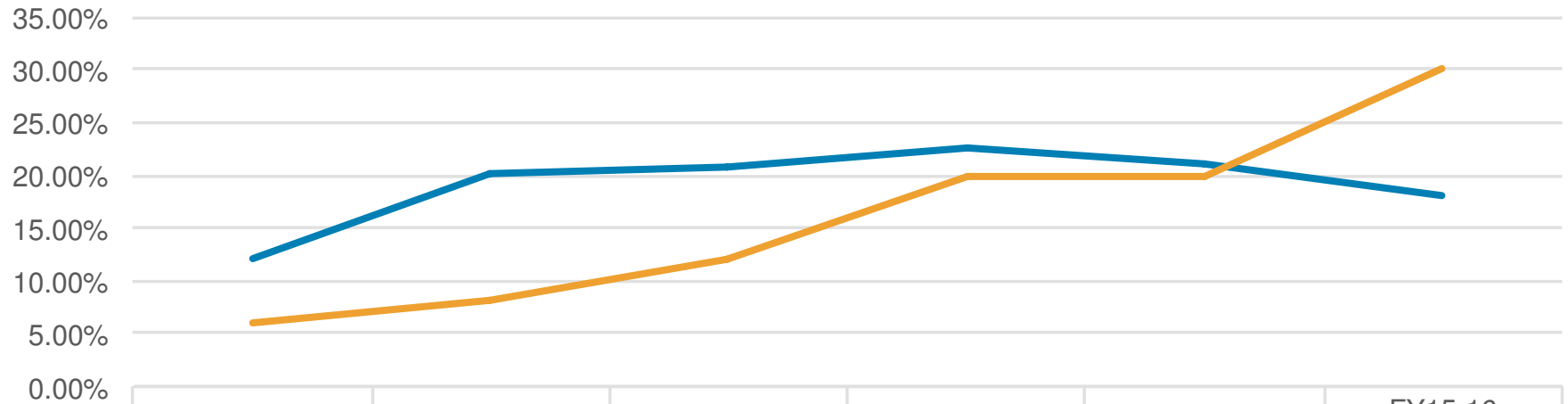
**By Debra J. White – Director, Supplier Diversity
John Canale – VP Procurement**

February 22, 2016

Supplier Diversity Program Update

- 30% Utilization Goals
- NYS Fiscal Year (Apr-Sept) 18.15%
- \$159 Million in Treasury Transactions
- Service Disabled Veteran-Owned Business (SDVOB)
- Mentor Protégé Program
- Internal Audit

Minority Women Business Enterprise Performance to Goal by Fiscal Year



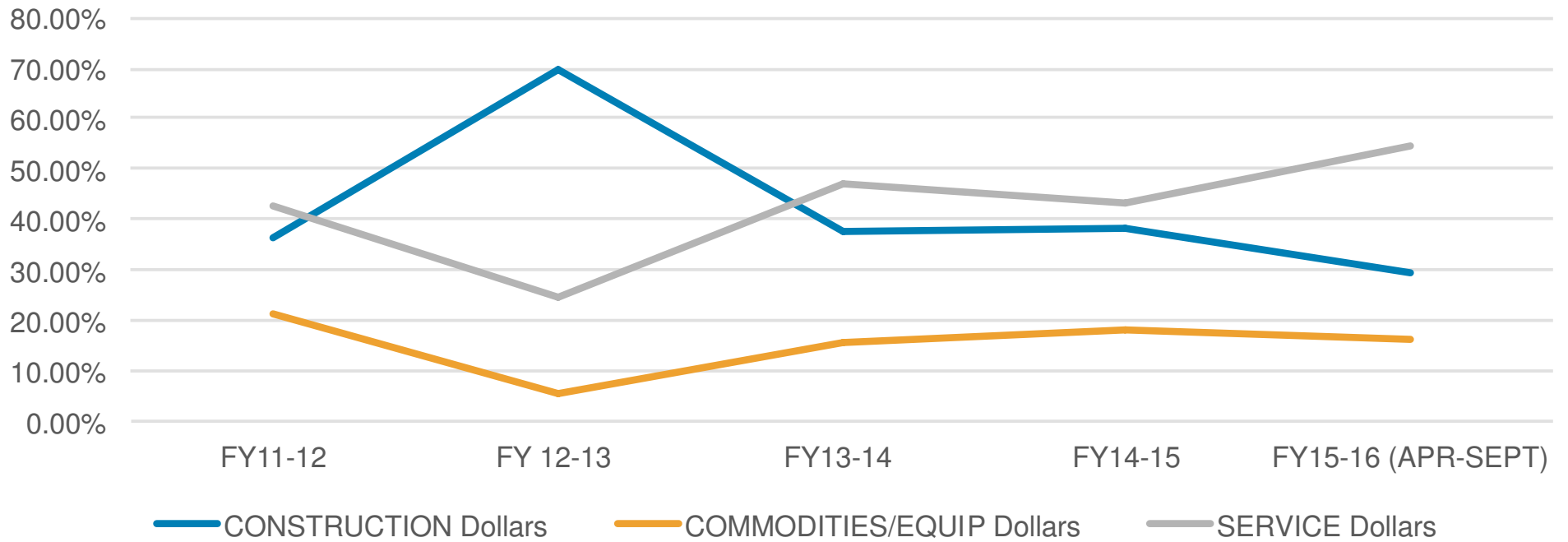
	FY10-11	FY11-12	FY 12-13	FY13-14	FY14-15	FY15-16 (APR-SEPT)
M/WBE %	12.11%	20.03%	20.89%	22.51%	21.13%	18.15%
Goal %	6.00%	8.00%	12.00%	20.00%	20.00%	30.00%

(FY – Fiscal Year April 1 – March 31)

Goal Challenges

- Energy Services contracts
- New York State administrative regulations
- New York State certification
- Service Disabled Veteran-Owned Business

Minority Women Business Enterprise Spend Analysis



Current Path to 30%

- Increasing dialogue with Empire State Development
- “other than low bidder”
- Maximize Discretionary Spending
- Re-assess Supplier Diversity Program Product Exclusion List
- Increase Supplier Diversity Program awareness

Supplier Diversity Program Best Practices

- Clearly state the agency's MWBE policy, championed by the agency head
- Create a comprehensive MWBE development plan
- Establish MWBE goals and accountability process
-to name a few