

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
Minutes of the 158th Audit and Finance Committee Meeting
Held on January 29, 2025

Pursuant to a notice and agenda dated January 17, 2025, a copy of which is annexed hereto, the one hundred fifty-eighth (158th) meeting of the Audit and Finance Committee (the “Committee”) of the NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY (the “Authority”) was convened at 10:00 a.m. on Wednesday, January 29, 2025 at the NY Green Bank Office (“NYGB”) located 1333 Broadway, Suite 300, New York, New York and at the Authority’s Albany Office located at 17 Columbia Circle, Albany, New York. The two locations were connected by videoconference.

The following Members of the Committee were present:

Jay Koh *Committee Chair* attended from NYGB

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

Sherburne Abbott attended from NYGB

Lindsay Greene attended via videoconference

Jennifer Hensley attended from NYGB

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.

Committee Chair Koh was delayed; therefore, the Authority’s Chair started the meeting. The Chair called the meeting to order and noted the presence of a quorum. Member Lindsay Greene participated by videoconference as per the extraordinary circumstances exception under the New York Open Meetings Law and the Authority’s By-laws. Member Greene was able to participate in discussions and vote, but was not counted toward quorum. Notice of the meeting

was provided to the Committee Members on January 17, 2025 and to the press on January 21, 2025.

The Chair indicated that the first item on the agenda concerned the approval of the minutes of the one hundred fifty-seventh (157th) meeting held on October 23, 2024.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee Members, the minutes of the one hundred fifty-seventh (157th) meeting held on October 23, 2024, were approved.

The Chair indicated that the next item on the agenda was a resolution recommending the approval of the issuance of bonds to finance the Green Jobs-Green New York Program (“GJGNY”). The Authority’s Chief Financial Officer (“CFO”), Pam Poisson stated that the Committee was being asked to consider the issuance of bonds in the next year in an amount not to exceed \$60 million to support the financing of residential energy efficiency and clean energy through the GJGNY Loan Program. The bonds would require the approval of the Public Authorities Control Board, the Office of the State Comptroller and the New York Department of Taxation and Finance. The proposed financing may take place as late as January 28, 2026.

At this point, Committee Chair Koh joined the meeting.

In response to an inquiry from Committee Chair Koh, CFO Poisson explained that staff began the planning process for the bonds several months ago, and noted that the issuance of these bonds is part of the Authority’s typical course to provide liquidity and ongoing support for the GJGNY program. With respect to the macro situation, CFO Poisson indicated that there were broader questions that will be discussed at the Board meeting.

In response to an inquiry from the Chair, CFO Poisson stated that there are no material changes in terms of structure.

In response to an inquiry from the Chair, CFO Poisson indicated that the advance rate is expected to be roughly equivalent to recent prior issuances of bonds.

In response to an inquiry from the Chair, CFO Poisson explained the bond overcollateralization and explained that the Authority works closely with the underwriters and its financial advisor to structure the specific tranches within the series. CFO Poisson noted that there is a turbo redemption clause; thus, if the loans pay off faster than expected, there is some latitude to bring down the bond capital more quickly.

In response to an inquiry from the Chair and Committee Chair Koh, CFO Poisson indicated that the past performance from a collateralization, default, and performance basis will be factored into the design of the new issuance.

In response to an inquiry from Committee Chair Koh, CFO confirmed that the collateral on previously issued bonds has performed as expected in terms of any defaults and loan repayments.

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

Resolution No. 507

RESOLVED, that the Audit and Finance Committee recommends that the Board approve a resolution in substantially the same form as attached hereto as Exhibit A.

Committee Chair Koh indicated that the next item on the agenda was a report on the Authority's most recent risk assessment. CFO Poisson provided the Committee with an update on the Authority's risk and controls review.

CFO Poisson explained that consistent with the Authority's Internal Controls Manual and NYS Comptroller Standards for Internal Controls, the Authority regularly reviews risks and controls, to help ensure that risks are understood, and that appropriately matched controls are in

place to mitigate those risks. The Authority conducted a more comprehensive, periodic full-scope Risk and Controls Self-Assessment (“RCSA”) in 2022-2023 using an approach largely consistent with the Committee on Sponsoring Organizations (“COSO”) framework. The RCSA was designed to help protect the Authority from potential threats and vulnerabilities that may threaten achievement of the Authority’s mission; the ability to integrate activities; plans; attitudes; policies; systems and efforts; and keep internal controls well-matched to risk.

CFO Poisson reported that the Authority is making good progress addressing cross-cutting risk items that were prioritized for remediation after the last RCSA. CFO Poisson also noted that the last RCSA noted process streamlining opportunities but relatively few instances of material risks calling for additional mitigation, underscoring strong controls in areas typically seen as high exposure for many organizations, such as cyber risk, financial risk, public health, and reputation.

Next, CFO Poisson reported that the Authority will be updating the RCSA and will utilize the likelihood and impact assessment approach that is generally aligned with the well-accepted COSO risk management framework. The Authority will supplement a typical review and update of risk registers with particular focus on three areas that emerged as higher risk: 1) climate and extreme weather; 2) the impact of artificial intelligence; and 3) fraud potential.

In response to an inquiry from Committee Chair Koh, CFO Poisson confirmed that the process for the RCSA includes consultation with the Authority’s advisors and auditors to ensure the Authority remains current with best practices.

In response to an inquiry from the Chair, CFO Poisson explained that the Authority wants to calibrate the controls that are in place to where the greatest risks are seen.

In response to an inquiry from Member Abbott, CFO Poisson suggested a follow-up briefing, as appropriate to share more information regarding AI.

Committee Chair Koh indicated that the next item on the agenda was to receive a report on the recent activities of Internal Audit from its Acting Director, Dorraine Teitsch-Gilligan.

Acting Director Teitsch-Gilligan provided the Committee with an update on recent activities including IT Equipment and Policies; Invoice Review and Approval; Large-Scale Renewables; the Audit of Employee Onboarding Process; and the follow-up recommendations regarding NY Green Bank.

Acting Director Teitsch-Gilligan also discussed the Risk Portfolio and Rotational Audit Plan, noting that the RSCA will inform future audit activities. With respect to the Rotational Audit Plan, Acting Director Teitsch-Gilligan explained that the Authority will be updating the existing rotational plan. This in turn will inform the development of the Annual Internal Audit Plan for the upcoming year. A formal plan will be submitted for presentation and approval at the April meeting.

Lastly, Acting Director Teitsch-Gilligan discussed the recent global audit standards updates issued by the Institute of Internal Auditors' ("IIA"). Specifically, it is anticipated that IIA will be issuing cybersecurity requirements in February 2025. Acting Director Teitsch-Gilligan noted that all internal policies and procedures will be reviewed and updated for alignment.

In response to an inquiry from Committee Chair Koh, Acting Director Teitsch-Gilligan confirmed that while the new global internal audit standards are requirements for all audits the topical requirements, such as those for cybersecurity, are subject matter specific.

In response to an inquiry from the Chair, Acting Director Teitsch-Gilligan explained that the Authority has a lot of assets, such as laptops. It needs to have the ability to track an asset, and in the event of a leak render the device unusable.

Committee Chair Koh indicated that the next item on the agenda was a resolution to meet in executive session for the purpose of discussing the Authority's Information Technology and Cyber Security controls.

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

Resolution No. 508

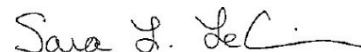
RESOLVED, that pursuant to Section 105 of the Public Officers Law, the Members of the Audit and Finance Committee of the New York State Energy Research and Development Authority shall convene in executive session on January 29, 2025 to discuss the Authority's Information Technology and Cyber Security internal controls.

Following the executive session, Committee Chair Koh reconvened the meeting in open session and confirmed that no formal action was taken during the executive session.

Committee Chair Koh indicated that the last item on the agenda was other business. There being no other business, Committee Chair Koh 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,

A handwritten signature in cursive script, reading "Sara L. LeCain".

Sara L. LeCain
Secretary to the Committee

Exhibit A

Resolution No.

WHEREAS, pursuant to special act of the Legislature of the State of New York (Title 9 of Article 8 of the Public Authorities Law of New York, as from time to time amended and supplemented, herein called the “Act”), the New York State Energy Research and Development Authority (the “Authority”) has been established as a body corporate and politic, constituting a public benefit corporation; and

WHEREAS, pursuant to the Act, the Authority is authorized to issue bonds and notes to provide sufficient moneys for achieving the Authority’s corporate purposes, including the establishment of reserves to secure the bonds and notes and the payment of interest on bonds and notes; and

WHEREAS, pursuant to the Act, the Authority is also empowered to extend credit and make loans from bond proceeds to any person for the construction, acquisition, installation of, or for the reimbursement to any person for costs in connection with, any special energy project, including, but not limited to, any land, works, system, building, or other improvement, and all real and personal properties of any nature or any interest in any of them which are suitable for or related to the furnishing, generation, production, transmission, or distribution of energy or energy resources; and

WHEREAS, pursuant to special act of the Legislature of the State of New York (Title 9-A of Article 8 of the Public Authorities Law of New York, as from time to time amended and supplemented, herein called the “Green Jobs – Green New York Program”), the Authority has been authorized to use innovative financing mechanisms to finance energy efficiency improvements and technologies eligible for net metering through energy cost savings; and

WHEREAS, the Authority will issue bonds in one or more series not later than January 29, 2026, in an aggregate principal amount not to exceed \$60,000,000 to be designated “Residential Clean Energy and Energy Efficiency Financing Green Revenue Bonds, Series 2025A” (the “Bonds”) and with such additional or different designations as may be set forth in the Indenture (hereinafter defined) for the purpose of financing loans through the Green Jobs – Green New York Program for the installation of residential energy efficiency measures, photovoltaic systems, air source heat pumps or ground source heat pumps, (collectively “Loans”); and

WHEREAS, the Bonds are to be issued pursuant to an Indenture of Trust (the “Indenture”), between the Authority and The Bank of New York Mellon, as trustee (the “Trustee”), pursuant to which the Authority will pledge principal and interest payments on, and prepayments of, Loans as security for the Bonds and

WHEREAS, the Authority has entered into an agreement with Slipstream Group Incorporated d/b/a Energy Finance Solutions, a not-for-profit corporation, to serve as a loan originator under the Green Jobs – Green New York Program; and

WHEREAS, the Authority has entered into an agreement with Concord Servicing, LLC which will act as the loan servicer and will be the custodian of the original promissory notes for the Loans issued under the Green Jobs – Green New York Program; and

WHEREAS, the proceeds of the Bonds will be used to reimburse the Green Jobs-Green New York Program revolving loan fund for Loans heretofore originated and outstanding and to provide funding for new Loans originated and to be originated thereafter; and

WHEREAS, Ramirez & Co., Inc., acting as underwriter (the "Underwriter"), pursuant to the terms of a Bond Purchase Agreement among the Authority and the Underwriter (the "Purchase Contract"), propose to purchase the Bonds from the Authority and offer the Bonds to the public pursuant to the terms of such Purchase Contract; and

WHEREAS, it is expected that the Bonds will be offered by the Underwriter pursuant to a Preliminary Official Statement, as may be approved by an Authorized Representative (hereinafter referred to) of the Authority and an Official Statement to be approved by an Authorized Representative; and

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The offering, issuance, sale, and delivery of the Bonds upon the terms and conditions and for the purposes described in this resolution are hereby authorized. The Bonds shall be issued in one or more series in an aggregate principal amount not to exceed \$60,000,000 and shall bear interest at rates determined by the Chair, the Vice Chair, the President and CEO, the Chief Financial Officer, the Executive Vice President, the Chief Program Officer, or the Secretary of the Authority (collectively, the "Authorized Representatives"). The Bonds shall bear interest at a weighted average fixed rate of interest not to exceed 7.5%. The Bonds shall mature no later than twenty years after the date of issuance. The Bonds shall be dated, have the final maturity, have the designation or designations, be subject to redemption, be payable as to principal, premium, if any, and interest, and have such other provisions all as set forth in the Indenture. The form of the Bonds and all other provisions with respect thereto shall be as set forth in the Indenture or determined in the manner set forth therein. No Bonds shall be issued pursuant to this resolution after January 29, 2026. Any bonds issued under this Resolution must have upon issuance a rating of A or higher, as assigned by a nationally recognized statistical rating organization.

Section 2. Subject to the limitations set forth in Section 1 hereof, the Authorized Representatives are each hereby authorized to determine on behalf of the Authority with respect to the Bonds: the aggregate principal amount, the interest rates the Bonds shall bear and the particular redemption and purchase provisions of the Bonds. Any such determination shall be conclusively evidenced by the execution and delivery by an Authorized Representative of an indenture or other document setting forth such determination.

Section 3. The Authorized Representatives are each hereby authorized to execute, acknowledge, and deliver the Indenture as such Authorized Representative shall approve. Execution of such documents by an Authorized Representative shall be conclusive evidence of

any approval required by this Section. The Authorized Representatives are also authorized to secure a second party opinion that the Bonds meet the Green Bond Principles as set by International Capital Market Association and to execute any agreement required in order to secure such opinion. The Authorized Representatives are each further authorized to obtain bond insurance or other credit enhancement for the Bonds to the extent that such Authorized Representative determines that such credit enhancement would facilitate the sale of the bonds on a cost effective basis or lower the debt service on the Bonds and to enter into agreements with the providers of such credit enhancement.

Section 4. The Authority authorizes each Authorized Representative to enter into the Purchase Contract. The Authorized Representatives of the Authority are each hereby authorized to determine the purchase price of the Bonds and are further authorized to execute, acknowledge, and deliver the Purchase Contract as may be approved by any such Authorized Representative. The execution of a Purchase Contract by any Authorized Representative shall be conclusive evidence of any determination or approval required or authorized by this Section. The purchase price to the Underwriters of the Bonds shall not be less than 97% of the principal thereof. In no event shall the compensation paid to the Underwriter in connection with the initial offering of the Bonds exceed 1% of the principal amount thereof whether such compensation is paid directly by the Authority or in the form of discount to the Underwriters. As an alternative to the execution of the Purchase Contract, the Authorized Representatives are authorized to execute a private placement agreement with a third party purchaser, with Ramirez & Co., Inc. acting as placement agent, should such a method of sale for the Bonds be determined by the Authorized Representatives to be a superior method of selling the Bonds.

Section 5. The Authority authorizes the Authorized Representatives to approve the Preliminary Official Statement and the Authority approves the use in accordance with the applicable legal requirements of one or more Preliminary Official Statements and Official Statements in connection with the offering and sale of the Bonds by the Underwriter, as may be approved by an Authorized Representative. Any Authorized Representative of the Authority is hereby authorized and directed to execute the final Official Statements in the name and on behalf of the Authority, and thereupon cause such final Official Statements to be delivered to the Underwriters. Any such approval shall be conclusively evidenced by such Authorized Representative's execution and delivery thereof. The Authorized Representatives are hereby authorized to provide any appropriate disclosure as part of the Preliminary Official Statements and Official Statements, including but not limited to the use of the Authority's financial statements. The foregoing approvals shall not be deemed to constitute an acknowledgment by the Authority of any responsibility for information contained therein which has been furnished by the Underwriters, The Depository Trust Company, or any other party. In the event that the Authorized Representatives determine that a sale of the Bonds through a private placement is a superior method of sale, the Authorized Representatives are hereby authorized to use a placement memorandum to facilitate such a sale, in accordance with the disclosure requirements outlined in this section for preliminary official statements and official statements.

Section 6. Slipstream Group Incorporated d/b/a Energy Finance Solutions has been authorized to serve as loan originator for the pledged loans. Concord Servicing, LLC has been authorized to serve as loan servicer for the pledged loans and Vervent Inc. has been authorized to

serve as backup loan servicer for Loans pledged to all bond series issued prior to Series 2023A Bonds. Carmel Solutions LLC has been authorized to serve as back up loan servicer for all other portfolio loans. The Authorized Representatives are hereby authorized to enter into any other agreements, documents, or amendments to existing agreements relating to the origination and servicing of the loans as necessary. The Authorized Representatives are hereby authorized to approve the appointment of a successor loan originator, loan servicer and backup loan servicer for the pledged loans as necessary.

Section 7. The Authorized Representatives are each hereby authorized to execute, acknowledge, and deliver any other agreements, documents, or certificates, including certificates confirming on behalf of the Authority the accuracy and completeness of information relating to the Bonds, the Authority, the Loans and the Green Jobs – Green New York Program, and to do and cause to be done any such other acts and things and to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to in Sections 1 through 6 of this resolution as they may determine necessary or proper for carrying out, giving effect to, and consummating the transactions contemplated by this resolution. Execution of such documents by an Authorized Representative shall be conclusive evidence of any approval required by this Section. Any Authorized Representative, the Controller, and the Acting Secretary of the Authority are each hereby authorized to affix the seal of the Authority on such documents and attest the same.

Section 8. The Bonds shall not be general obligations of the Authority, and shall not constitute an indebtedness of or a charge against the general credit of the Authority. The Bonds will not constitute a debt of the State of New York and the State of New York will not be liable thereon. No owner of the Bonds will have any right to demand payment of the principal and interest on the Bonds out of any funds to be raised by taxation. As shall be more particularly set forth in the Indenture and the Bonds, the liability of the Authority under the Bonds shall be enforceable only to the extent provided in the Indenture, and the Bonds shall be payable solely from the revenues and other funds pledged and available for the payment of the Bonds under the terms of the Indenture.

NOTICE OF MEETING AND AGENDA

January 17, 2025

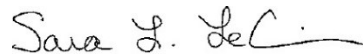
TO THE MEMBERS OF THE AUDIT AND FINANCE COMMITTEE:

PLEASE TAKE NOTICE that the one hundred fifty-eight (158th) meeting of the AUDIT AND FINANCE COMMITTEE of the New York State Energy Research and Development Authority (“Authority”) will be held at the NY Green Bank Office located at 1333 Broadway, New York, New York, and at 17 Columbia Circle, Albany, New York, on Wednesday, January 29, 2025, commencing at 10:00 a.m., for the following purposes:

1. To consider the Minutes of the 157th meeting held on October 23, 2024.
2. To consider and act upon a resolution recommending approval of the issuance of bonds to finance the Green Jobs – Green New York Program.
3. To receive a report on the Authority’s risk assessment activities.
4. To receive a report from Internal Audit.
5. To consider and act upon a resolution to enter into executive session for the purpose of discussing the Authority’s cybersecurity controls.
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.nyserda.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.nyserda.ny.gov/About/Board-Governance/Board-and-Committee-Meetings>.



Sara L. LeCain
Secretary to the Committee

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