

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
Minutes of the 160th Audit and Finance Committee Meeting
Held on June 24, 2025

Pursuant to a notice and agenda dated June 16, 2025, and a revised agenda issued June 23, 2025, a copy of which is annexed hereto, the one hundred sixtieth (160th) 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 Tuesday, June 24, 2025 at the NY Green Bank Office (“NYGB”) located at 1333 Broadway, Suite 300, New York, New York, at the Authority’s Albany Office located at 17 Columbia Circle, Albany, New York, and at Con Edison (“Con Ed”) located at 4 Irving Place, New York, New York. The three locations were connected by videoconference.

The following Members of the Committee were present:

Charles Bell *Vice Chair (Acting Chair) of the Authority* attended from NYGB

Sherburne Abbott attended from NYGB

Jennifer Hensley attended from Con Ed

Committee Chair Jay Koh and Member Lindsay Greene were unable to attend.

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

The Committee Chair Jay Koh was unable to attend the meeting, therefore Acting Chair Bell called the meeting to order and noted the presence of a quorum. Notice of this meeting was provided to the Committee Members on June 16, 2025 and to the press on June 17, 2025. A revised agenda was issued on June 23, 2025.

Acting Chair Bell indicated that the first item on the agenda concerned the approval of the minutes of the one hundred fifty-ninth (159th) meeting held on April 28, 2025.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee Members present, the minutes of the one hundred fifty-ninth (159th) meeting held on April 28, 2025, were approved.

Acting Chair Bell indicated that the next item on the agenda was the Annual Investment Report of the Authority and the *Investment Guidelines, Operative Policy and Instructions (June 2025)* (“Investment Guidelines”). The Authority’s Chief Financial Officer (“CFO”) Pam Poisson discussed this item.

CFO Poisson stated that pursuant to the requirements of the Public Authorities Law, the Committee was requested to adopt a resolution approving the Annual Investment Report for the year ended March 31, 2025 and the Authority’s Investment Guidelines.

With respect to the Investment Report, CFO Poisson reported that the amount of the Authority’s total investments increased to \$2.31 billion from last year’s reported \$1.47 billion and described the primary drivers of the increase as reflected on the Investment Report summary.

CFO Poisson indicated that the Annual Investment Report summarizes the composition of the investment portfolio as compared to the prior year by investment type and percentage of the total portfolio.

CFO Poisson explained that the investment income increased by \$18.4 million primarily due to higher average prevailing market rates. Included in that return is an unrealized loss of \$0.4 million. The ultimate realized loss or gain could vary from this figure due to market movements. However, the Authority generally holds investments to maturity in order to recoup the face value in full, plus interest.

CFO Poisson reported that the Authority's independent auditors have issued a report stating that nothing came to their attention to indicate that the Authority was not in compliance with the provisions of the Investment Guidelines.

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

Resolution No. 510

RESOLVED, that the "Investment Guidelines, Operative Policy and Instructions (June 2025)," as presented at this June 24, 2025 meeting are hereby recommended for approval by the Board; and

BE IT FURTHER RESOLVED, that the Authority's "2024-2025 Annual Investment Report," for the year ended March 31, 2025, as presented at this June 24, 2025 meeting, is hereby recommended for approval by the Board to be adopted as the annual investment report of the Authority required by Section 2800 and Section 2925(6) of the Public Authorities Law.

Acting Chair Bell indicated that the next item on the agenda was the Annual Investment Report for the NYSERDA OPEB (Other Post-Employment Benefits) Trust and Investment Policy Statement for the NYSERDA OPEB Trust.

CFO Poisson explained that the OPEB Investment Report summarizes the contributions' investment income; benefit payments; and administrative expenses for this fiscal year ended March 31, 2025. The OPEB Investment Report also provides the balance of investments in total and by asset category in comparison to the target levels established in the Investment Policy Statement.

CFO Poisson reported that the market value of the OPEB Trust's investments, as of March 31, 2025, was approximately \$75.5 million, an increase of about \$4.5 million from the prior fiscal year end, primarily as a result of a market rebound over the past twelve months. As of the most recent actuarial valuation, the OPEB Trust was 94.97% funded compared to its OPEB liability. The total return on the OPEB Trust was 5.5% for the last fiscal year and was in line with the portfolio benchmark indexes.

CFO Poisson indicated that the lifetime average annual return on the OPEB Trust is approximately 6.2%. This is within a reasonable range of the actuarially estimated long-term expected return of the OPEB Trust of 6.5% which is based on the actuary's projections for long-term expected returns for the weighted average indices. The long-term rate has been included in the financial statements footnote disclosures and has been reviewed and deemed reasonable by the independent auditors.

With respect to the Investment Policy Statement, CFO Poisson stated that no changes are being recommended at this time.

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

Resolution No. 511

RESOLVED, that the "NYSERDA OPEB Trust Investment Report" for the year ended March 31, 2025, as presented at this June 24, 2025 meeting is hereby recommended for approval by the Board as the annual investment report of the NYSERDA OPEB Trust required by Section 2800 and Section 2925(6) of the Public Authorities Law; and

BE IT FURTHER RESOLVED, that the "Policy Statement for the NYSERDA OPEB Trust (Retiree Health Insurance Benefits Trust)" as presented at this June 24, 2025 meeting, is hereby recommended for approval by the Board.

Acting Chair Bell indicated that the next item on the agenda concerned the financial statements of the Authority and NY Green Bank ("NYGB") for the fiscal year 2024-2025 and asked the Authority's Vice President, Finance and Controller Christopher Russell to discuss this item.

Vice President Russell indicated that the Committee was being asked to adopt a resolution approving the annual audited financial statements for the fiscal year ending March 31, 2025 for the Authority and NYGB. Both financial statements included a clean opinion from the Authority's independent auditors KPMG, LLP ("KPMG"), which noted no instance of non-compliance or material weakness or uncorrected misstatements. KPMG saw no need to offer a management

letter, which would customarily be provided to address control weaknesses or improvements if noted by the auditors.

Vice President Russell highlighted a few significant fluctuations and changes, including the fact that the restricted net position, which is the cumulative difference between revenues and expenses, increased by \$491 million to \$2.66 billion principally due to greater than expected Regional Greenhouse Gas Initiative (“RGGI”) auction proceeds and from recent Clean Energy Standard (“CES”) Alternative Compliance payments, greater indexed Renewable Energy Credit (“REC”) proceeds, and the backstop mechanism in the Zero Emission Credit (“ZEC”) fund. Unrestricted net position increased to \$26.2 million, principally from investment income due to increased market rates and yields.

Vice President Russell explained that total assets increased by \$770.7 million to \$3.36 billion primarily due to aforementioned RGGI auction results and the REC/ZEC net results, which translated into a natural temporary increase in cash and investments. These increases were offset in part by a decrease in the Green Jobs-Green New York (“GJGNY”) cash balance due to higher loan originations resulting from increased consumer interest, spurred in part by federal incentives and favorable loan interest terms relative to the market.

Vice President Russell reported other notable asset changes included in NYGB’s loans and financing receivables portfolio and cash and investments. Over the 2024-2025 fiscal year, the loan portfolio increased by \$50.2 million with a downward valuation adjustment totaling \$33.7 million. These valuation adjustments are not believed to be indicative of any larger market trend based on prevailing conditions at the time. NYGB’s cumulative loss rates remain below benchmark.

Vice President Russell noted that total liabilities increased \$271.1 million primarily due to the increase in Unearned Revenue balance related to the federal Greenhouse Gas Reduction Fund (“GGRF”) sub-award to NYGB.

Vice President Russell noted that the impact of changes included in the Long-Term Liabilities is related to the implementation of GASB 101 which required the reallocation of sick

leave credits from Other Non-Current Liabilities to being measured as part of Total OPEB liability. OPEB liability also reflects an actuarial valuation decrease of the net pension liability of \$6.9 million. With respect to bonds payable, there was a \$24.5 million increase as a result of a new issue of \$46 million and offsetting principal repayments of prior issued bonds.

Vice President Russell reported that total revenues of \$2.2 billion, an increase of 19% from the last fiscal year due primarily to RGGI auction proceeds, state appropriations, and new federal grant awards. The increases were offset in part by lower loan/financing receivables, interest revenues, and third-party reimbursements.

Vice President Russell reported that the Authority's total expenses of \$1.7 billion were up \$141 million. Program expenditures comprised 92% of the total, with year-over-year increases driven mainly by NY-Sun activity consistent with program targets and increased CEF commitments and expenditures across a variety of initiatives as the Authority approaches the CEF Order end date of December 31, 2025.

Next, Vice President Russell explained that the Members' meeting package included separate stand-alone financial statements for NYGB, which ended the fiscal year with \$1.4 billion in total assets.

Vice President Russell reported that NYGB's assets comprise 42% of the Authority's assets. This consists primarily of loans and financing receivables of \$569.7 million, along with \$738 million in cash and investments.

Vice President Russell reported total NYGB revenues of \$45.4 million, expenses totaling \$17.5 million, and a resulting increase in net position of \$27.9 million, principally related to the net impact of deployed capital, investment income, and reasonable loan transaction fees.

Vice President Russell indicated that NYGB's cumulative net income from inception is \$170 million and explained that the cumulative net income has supplemented the original capitalization realized through the Clean Energy Fund order, which now brings NYGB's net

position to \$1.12 billion, almost half of the Authority's \$2.66 billion fiscal year end net asset balance.

Lastly, Vice President Russell noted the following: the Authority's control environment remains strong; the Authority continues to diversify funding resources though there is significant uncertainty with respect to federal grant funding; the pace of expenditures is appropriate given work scope and targets and NYGB is well-positioned to continue its financing support for our mission; and the unrestricted net position remains appropriate to meet working capital needs.

In response to an inquiry from Acting Chair Bell, Vice President Russell confirmed that the financial statements are for the fiscal year 2025.

Acting Chair Bell noted that the Committee would consider the recommendation of the approval of the financial statements of the Authority and NYGB after the executive session.

Acting Chair Bell indicated that the next item on the agenda was to consider a resolution to meet in executive session for the purpose of discussing the Authority's financial condition and to discuss the employment history of a particular person.

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

Resolution No. 512

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 June 24, 2025 for the purpose of reviewing the financial condition of the Authority and to discuss the employment history of a particular person.

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

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

Resolution No. 513

RESOLVED, that the Financial Statements of the Authority and the Financial Statements of NY Green Bank as of March 31, 2025, as presented at this June 24, 2025 meeting is hereby recommended for approval by the Board as the financial reports required by Sections 1867(1) and 2800 of the Public Authorities Law.

Acting Chair Bell indicated that the next item on the agenda was the appointment of a new Director of Internal Audit. The Authority's President and CEO Doreen Harris presented this item.

President and CEO Harris began by stating that Appendix A of the Authority's Internal Control Manual stipulates that the internal audit function is directed by the Director of Internal Audit who is appointed by the Audit and Finance Committee. Selection of the candidate must be based upon their internal auditing credentials, including knowledge, skills, experience, and professional certifications necessary to perform the responsibilities of the position.

Next, President and CEO Harris presented Jaime Fernandez for consideration by the Committee as the Director of Internal Audit.

Acting Chair Bell noted that the Committee's approval of Jaime Fernandez as the Director of Internal Audit is conditioned upon appointment by Governor Hochul.

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

Resolution No. 514

RESOLVED, that pursuant to the Audit and Finance Committee Charter, the Audit and Finance Committee hereby appoints Jaime Fernandez as Director of Internal Audit to serve at the pleasure of the Authority and to perform the duties of the Director of Internal Audit as prescribed by the Authority's system of internal controls, as it may be amended from time to time, and to perform such other duties as may be assigned by the Authority, the Chair, or the President and CEO.

Acting Chair Bell indicated that the next item on the agenda was to consider the appointment of KPMG as the Authority's independent auditors for the fiscal year 2025-2026.

CFO Poisson began by requesting that the Committee adopt a resolution approving the appointment of KPMG as the independent auditors of the Authority for the fiscal year ending March 31, 2026. In 2021, the Authority issued a Request for Proposals ("RFP") seeking proposals from public accounting firms to provide independent audit services for a term of up to five years and KPMG was selected. KPMG will perform a financial statement audit and deliver an opinion regarding the Authority's consolidated financial statements, and separate stand-alone financial statements for NYGB.

CFO Poisson indicated that KPMG's fees and expense for these services will not exceed \$138,800.

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

Resolution No. 515

RESOLVED, that it is recommended the Members authorize the President and CEO to retain the firm of KPMG, LLP as independent auditors for the Authority and for NY Green Bank for the fiscal year ending March 31, 2026.

Acting Chair Bell indicated that the next item on the agenda was the Annual Bond Sales Report and asked CFO Poisson to discuss this item.

CFO Poisson stated that pursuant to requirements of the Public Authorities Law, the Members are requested to adopt a resolution approving the submission of the Annual Bond Sales

Report. The Annual Bond Sales Report indicates that during the year, the Authority completed one new issuance, two retirements, and no conversions or refundings were completed. The schedule of Authority bonds outstanding provides a detailed listing of the Authority's bonds issued and outstanding as of March 31, 2025, totaling approximately \$1.5 billion.

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

Resolution No. 516

RESOLVED, that the Authority's Annual Bond Sales Report for the fiscal year April 1, 2024 through March 31, 2025, and the information contained therein, as presented at this June 24, 2025 meeting is hereby recommended for approval by the Board for submission pursuant to Section 2800 of the Public Authorities Law.

Acting Chair Bell indicated that the next item on the agenda was to consider a resolution recommending the approval of the Audit and Finance Committee Charter.

Acting Chair Bell stated that pursuant to the Public Authorities Accountability Act of 2005, each of the Authority's Committees adopted Charters setting forth each Committee's responsibilities. One of those responsibilities is to periodically review its Charter and determine what, if any, amendments need to be made. These recommendations are then presented to the full Board for consideration and approval. Counsel's Office continually monitors relevant guidance from the Authority's Budget Office; the Comptroller's Office; legislation; and other authority practices to determine whether to recommend any modifications. Other authorities include: the New York Power Authority; the Long Island Power Authority; the New York State Dormitory Authority; and the New York State Environmental Facilities Corporation. Management did not recommend any changes to the Audit and Finance Committee Charter.

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

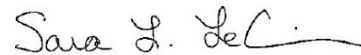
Resolution No. 517

RESOLVED, amendments to the Authority's Audit and Finance Committee Charter as presented for consideration at this June 24, 2025 meeting, with such non-substantive, editorial changes and grammatical changes as the President and Chief Executive Officer, in their discretion, may deem necessary or appropriate, is recommended for adoption and approval by the Board.

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

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Sara L. LeCain".

Sara L. LeCain
Secretary to the Committee



KATHY HOCHUL
Governor
CHARLES BELL
Acting Chair
DOREEN M. HARRIS
President and CEO

NOTICE OF MEETING AND AGENDA

June 16, 2025

TO THE MEMBERS OF THE AUDIT AND FINANCE COMMITTEE:

PLEASE TAKE NOTICE that the one hundred sixtieth (160th) meeting of the AUDIT AND FINANCE COMMITTEE of the New York State Energy Research and Development Authority will be held at the NY Green Bank Office located at 1333 Broadway, New York, New York, and at NYSERDA's Albany Office located at 17 Columbia Circle, Albany, New York, on Tuesday, June 24, 2025, commencing at 10:00 a.m., for the following purposes:

1. To consider the Minutes of the 159th meeting held on April 28, 2025.
2. To consider and act upon a resolution recommending approval of the Annual Investment Report of the Authority and the *“Investment Guidelines, Operative Policy and Instructions (June 2025).”*
3. To consider and act upon a resolution recommending approval of the Annual Investment Report for the NYSERDA OPEB (Other Post-Employment Benefits) Trust for the year ended March 31, 2025 and the *“Investment Policy Statement for the NYSERDA OPEB Trust (June 2025).”*
4. To receive the Financial Statements of the Authority and NY Green Bank for fiscal year 2024-2025.
5. To consider and act upon a motion to enter into executive session for the purpose of reviewing the financial condition of the Authority.
6. To consider and act upon a resolution recommending approval of the Financial Statements of the Authority and NY Green Bank for fiscal year 2024-2025.
7. To consider and act upon a resolution recommending approval of the appointment of the Authority's independent auditors for fiscal year 2025-2026.
8. To consider and act upon a resolution recommending approval of an annual bond sales report.

New York State Energy Research and Development Authority

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9. To consider and act upon a resolution recommending approval of the Audit and Finance Committee Charter.
10. To transact such other business as may properly come before the Committee.

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 Audit and Finance Committee



KATHY HOCHUL
Governor
CHARLES BELL
Acting Chair
DOREEN M. HARRIS
President and CEO

REVISED NOTICE OF MEETING AND
AGENDA

June 23, 2025

TO THE MEMBERS OF THE AUDIT AND FINANCE COMMITTEE:

PLEASE TAKE NOTICE that the one hundred sixtieth (160th) meeting of the AUDIT AND FINANCE COMMITTEE of the New York State Energy Research and Development Authority will be held at the NY Green Bank Office located at 1333 Broadway, New York, New York, at NYSERDA's Albany Office located at 17 Columbia Circle, Albany, New York and Con Edison located at 4 Irving Place, New York, New York, on Tuesday, June 24, 2025, commencing at 10:00 a.m., for the following purposes:

1. To consider the Minutes of the 159th meeting held on April 28, 2025.
2. To consider and act upon a resolution recommending approval of the Annual Investment Report of the Authority and the “*Investment Guidelines, Operative Policy and Instructions (June 2025).*”
3. To consider and act upon a resolution recommending approval of the Annual Investment Report for the NYSERDA OPEB (Other Post-Employment Benefits) Trust for the year ended March 31, 2025 and the “*Investment Policy Statement for the NYSERDA OPEB Trust (June 2025).*”
4. To receive the Financial Statements of the Authority and NY Green Bank for fiscal year 2024-2025.
5. To consider and act upon a motion to enter into executive session for the purpose of reviewing the financial condition of the Authority and to do discuss the employment history of a particular person.
6. To consider and act upon a resolution recommending approval of the Financial Statements of the Authority and NY Green Bank for fiscal year 2024-2025.
7. To consider and act upon a resolution appointing the Director of Internal Audit.
8. To consider and act upon a resolution recommending approval of the appointment of the Authority's independent auditors for fiscal year 2025-2026.

New York State Energy Research and Development Authority

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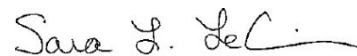
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9. To consider and act upon a resolution recommending approval of an annual bond sales report.
10. To consider and act upon a resolution recommending approval of the Audit and Finance Committee Charter.
11. To transact such other business as may properly come before the Committee.

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>. In order to expedite the entry procedures established by the building management at any of the above locations, any members of the public planning to attend the meetings in person should arrive in advance of the meeting and must be prepared to show valid photo identification upon arrival.

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 Audit and Finance Committee