

MINUTES OF THE ONE HUNDRED FORTY EIGHTH MEETING OF THE
AUDIT AND FINANCE COMMITTEE
HELD January 25, 2022

Pursuant to a notice and agenda dated January 14, 2022, a copy of which is annexed hereto, the one hundred forty-eighth (148th) 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, January 25, 2022, by videoconference.

The following members of the Committee were present:

Jay Koh, *Committee Chair*

Richard Kauffman, *Chair of the Authority*

Shere Abbott

Sadie McKeown

Frances Resheske

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

Chair Koh called the meeting to order and noted the presence of a quorum. The meeting notice and agenda were forwarded to the Committee on January 14, 2022 and the Press on January 18, 2022.

Mr. Koh indicated the first item on the agenda concerned the approval of the minutes of the one hundred forty-seventh (147th) Committee meeting held on October 5, 2021.

Whereafter, upon a motion duly made and seconded, and by unanimous voice vote of the Committee members the minutes of the one hundred forty-seventh (147th) meeting of the Committee held on October 5, 2021 were approved.

Mr. Koh indicated the next item on the agenda was a resolution to meet in executive session in order to discuss the Authority's cybersecurity controls.

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

Resolution

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 25, 2022 to discuss the Authority's Information Technology and Cyber Security internal controls.

The Committee entered executive session.

The meeting was reconvened in open session. Mr. Koh confirmed that no formal action was taken during the executive session.

Mr. Koh indicated the next item on the agenda was a GJGNY Loan Program Update and that was presented by Chief Financial Officer, Pam Poisson.

Ms. Poisson stated that this is an informational update on the Loan Participation Sale financing vehicle and potential additional liquidity events in 2022 in follow up to a related discussion at the last Audit and Finance Committee meeting. Ms. Poisson gave a brief recall from the last Committee meeting discussing how the Authority used both bond issuances and loan participation sales successfully to provide financing for efficiency and clean energy improvements.

Next, Ms. Poisson provided the Committee with a brief update on the Authority's inaugural loan participation sale and noted the success of the participation sale launched earlier this year. As of November, approximately 68% of the available pool in principal was purchased by State chartered credit unions and the Authority has an additional \$3.0 million in commitments and an

additional \$5.0 million being reviewed by investors expected to close within the next month. Ms. Poisson highlighted if that proceeds as anticipated we will have sold 75% of that pool. Ms. Poisson reported that the Authority continues to pursue ways to accelerate the participation loan sale turnaround by leveraging marketing efforts to raise awareness of this offering to increase interest in expanded credit and by working with independent pricing consultants to agree upon a standard methodology to be able to update the offer price promptly as market interest rates change and the loan pool ages over time.

Lastly, Ms. Poisson outlined the Authority's proposed timeline for 2022 liquidity events proposing that its next liquidity event will be a bond offering targeted to close in October 2022. In addition, the Authority proposes a companion liquidity event in November 2022 as a participation sale for loans. Ms. Poisson anticipates that by including both a bond issuance and participation sale as part of the broader liquidity strategy we will be able to leverage additional capital into the market to complement RGGI funding.

In response to an inquiry from Mr. Kauffman, Ms. Poisson clarified that the 75% of sales with respect to the loan participation sale refers to the total amount of loans the Authority anticipated selling. Ms. Poisson noted that the Authority is tracking toward this goal .

Chair Koh noted that the two liquidity paths allow the Authority to have flexibility depending on the market and the actions of the Federal Reserve.

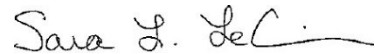
Mr. Koh indicated the next item on the agenda was a report on the Internal Audit Rotation Plan and that was presented by Director of Internal Audit, Mary Peck.

Ms. Peck reported two ongoing major activities regarding the audit of payroll processing and noted the Authority is completing the field work phase of the audit and will move into draft with regard to the review of the NY Green Bank compliance program. Ms. Peck continued providing the Committee with an update on the status of the Internal Audit's Quality Assurance Review and noted that the Authority is completing the contracting and planning for an immediate start and final report by March 31, 2022. Lastly, Ms. Peck discussed the Rotational Audit Plan and reported that it is structured to align with the functional units and primary business processes

contained within the Authority's current Internal Control Manual and indicated that the Plan proposes a minimum cycle over which business practices with higher inherent risks will be audited.

Mr. Koh indicated the next item on the agenda was other business. There being no other business, the meeting was adjourned.

Respectfully submitted,

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

Sara L. LeCain
Secretary to the Committee