NYSERDA'S 164TH AUDIT AND FINANCE COMMITTEE MEETING
June 23, 2026
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Charles Bell:
Good afternoon. I called this meeting to order. Notice of the meeting and an agenda was forwarded to the Committee Members on June 12th, 2026 and to the press on June 15th, 2026. This meeting is being conducted in person and by video conference. The Authority will post a video and a transcript of the meeting on the web. I am Chuck Bell, Acting Chair of the Authority. The Committee's Chair, Jay Koh, was unable to attend today and therefore I will lead the meeting. To confirm that we have a quorum, I would like to ask each of the Committee Members to please introduce themselves.

Lindsay Greene:
Lindsey Greene, Member of the Authority Member of the Committee.

Jennifer Hensley:
Jen Hensley, Member of the Authority Member of the Committee.

Charles Bell:
No Shere. Okay. Thank you. The first item on the agenda is approval of the minutes of the 163rd Committee meeting held on April 29th, 2026. Are there any comments on the minutes?

Lindsay Greene:
No comments.

Charles Bell:
May I please have a motion approving the minutes?

Lindsay Greene:
So moved. Second.

Charles Bell:
All in favor?

Members of the Committee:
Aye.

Charles Bell:
Any opposed? Minutes have been approved. Thank you. The next item to be considered is the Annual Investment Report and the Investment Guidelines. Chris Russell, the Authority's Vice President for Finance and Controller will discuss this item. Chris.

Christopher Russell:
Thank you, Chuck. So Annual Investment Report and the Investment Guidelines. Pursuant to the requirements of Public Authorities Law, the Members are required to adopt the resolution

approving the Annual Investment Report for the year ended March 31st, 2026. Also adopt the resolution approving the Investment Guidelines. Beginning with the Investment Guidelines, these are reviewed and approved by the Members annually, whether there are changes or not. Practice the guidelines help ensure that temporary cash balances resulting from collections that proceed expenditures are conservatively invested and appropriately monitored. No changes in the guidelines are recommended at this time. Moving to the Annual Investment Report, note that the report summarizes the composition of the investment portfolio as compared to the prior year by investment tight and percentage of the total portfolio. The Authority's total investments increased $447.9 million year over year for about $2.31 billion to about $2.76 billion. The overall increase in investments was primarily due to four factors.

Clean energy standard balances increased due to lower than expected renewable energy credit payments as a result of higher commodity prices and timing relate to zero emissions credits, production tax credit payments deployment for program expenditures. That's a lot.

Receipt of alternative compliance payments from load serving entities and anticipation of the Champagne Hudson Power Express CHPE implementation, which was targeted from May 2026 in the Tier 4 RECs for the terms of the Clean Energy Standard. Regional Greenhouse Gas Initiative auction revenues, trending upward in combination of natural timing of differences between expenditures consistent with capital projects that this fund supports. Third is the Green Jobs-Green New York market value increase from the 2025 bond series issuance with proceeds that reinvested for future disbursement and loan activity. Lastly, increase in NY-Sun was driven by the time as you go funding draws and support future program expenditures. These increases were offset in part by several funds, experienced higher expenditures and budget in market development innovation and research. That's a Clean Energy Fund, which deadlines were new commitments in December 2025 at increased expenditures. Additionally, NY Green Bank's balance decreased as a result of increased loan activity and capital.

Investing income for fiscal year 26 decreased by $5.3 million. The average annual rate of return for all investments is 3.51% from last year's fiscal year of 4.2%. This decrease was driven mainly by lower average market rates prevailing in the economy of large. The Authority’s independent auditors have issued a report stating nothing came to their attention to indicate that the Authority was not in compliance with the provisions of the Investment Guidelines. This concludes my report. I'm happy to answer any questions.

Charles Bell:
Thank you. Are there any questions for Chris? No. May please have a motion recommending adoption of the Investment Guidelines and the Annual Investment Report.

Lindsay Greene:
So moved. Second.

Charles Bell:
Second. All in favor, please.

Members of the Committee:
Aye. Aye.

Charles Bell:
Any opposed? Motions carried. The Investment Guidelines and Annual Investment Report have been recommended for approval. Next item to be considered is the Annual Investment Report for the NYSERDA OPEP Trust. Chris, will you also please discuss this item?

Christopher Russell:
Chuck. So the NYSERDA OPEB Trust, other post-employment benefits trust <inaudible> remained good financial health. The portfolio performed well during the last fiscal year. The trust remains well funded. Our overall morning star rates have not remained in line with our policy parameters. As part of the implementation of our new investment policy statement that's approved by Members in April, new portfolio selections have been made and are in the process of replacing the lower Morningstar rated funds during the early part of this year. We continue to focus on ESG principles consistent with passport guidance and continue to evaluate process and policies to keep improving our management portfolio. The OPEB investment report summarizes the contributions, investment income, benefits, payments, and administrative expenses for the fiscal year ended March 31st, 2026. It reports the balance of investments in total and by asset category in comparison to the target levels established in the investment policy statement.

The market value of the trust investments as of March 31st, 2026 was about $84.6 million and an increase of about $9.2 million for the prior year, primarily as the result of market performance of the course of the fiscal year. As of the most recent actuarial valuation, the OPEB trust was 92.21% funded compared to its OPEB liability.

Total return on trust investments was 11.4% for the year and is in line with the portfolio benchmark indexes. The lifetime average annual return is approximately 7.4% up from 6.5%, which is presently 0.9% above the actuarially determined estimate of long-term expected return for the NYSERDA OPEB Trust is 6.5% based on the actuaries projections for long-term expected returns for the weighted average indices. This long-term rate has been included in the financial state footnote disclosures and has been reviewed and deemed reasonable by the independent auditors. While the trust has experienced some volatility over the year, the investment policy statement notes that investments of the trust should be managed on a long-term basis. The portfolio credit quality remains satisfactory and aggregate. The investment policy statement does not include any recommended changes at this time. NYSERDA staff are currently working to implement the updates and rebalance the portfolio following the approved updates at the equal board meeting. Happy to answer any questions.

Charles Bell:
Thank you. Are there any questions for Chris?

Lindsay Greene:
No.

Charles Bell:
May I please have a motion recommending adoption of the NYSERDA OPEB Trust Investment Report?

Lindsay Greene:
So moved. Second.

Charles Bell:
Second. All in favor, please say aye.

Members of the Committee:
Aye. Aye.

Charles Bell:
Opposed? Motions carried. NYSERDA OPEB Trust Investment Report and the Investment Policy Statement have been recommended for approval. The next agenda item concerns the financial statements of the Authority and NY Green Bank for the fiscal year 2025 to 2026. Chris will also present this item. Chris.

Christopher Russell:
Again, John. NYSERDA continues to be a good steward of rate payer funds and maintain strong control environment as evidence at least in part through our recurring record of clean financial audits. Today we're requesting the Members to adopt the resolution approving the annual audited financial statements for the fiscal year ended March 31st, 2026 for the Authority for all divisions, including NY Green Bank as well as separate standalone financial statements for NY Green Bank. We are pleased to note on both sets of financial statements, we have received an unmodified clean opinion from the independent auditors. We will also note that the additional reports issued by KPMG indicate no instances of non-compliance, material weaknesses are uncorrected in this statements and they offered no management letter comments regarding control weaknesses or suggestions for improvement. The memo in your board package summarizes financial statement amounts that include significant accounting estimates, which have been reviewed and found to be reasonable by the independent auditors.

Moving on to statements, assets increased by $600 million to $3.96 billion. Contributing to this is increased in cash where RGGI, timing differences on specific rent and set payments to LSEs, including production tax credits to nuclear units. In addition, Green Jobs-Green New York bond sale proceeds which will offset by increased loan originations as the terms remain payable relative to marketing. Our government-wide loans and financing receivables increased by $104.4 million, which reflect Green Jobs-Green New York and NY Green Bank loan balances, which increased $34.4 million at $71.9 million respectively. On the liability side, total liabilities increased about $56.9 million. The change primarily reflects the increase in bonds payable and leasing obligations as we consolidate workspace in New York City office. Bonds payable saw a $31.9 million increase as a result of the new issue of $60 million and offsetting critical payments of prior issue bonds included in the long-term liabilities as an actuarial valuation increase in acquisitional liability of $4.8.

The net position increased by the total of $551 million to $3.21 billion. The increase is attributed to previously mentioned items in addition to revenues received in the last year for clean energy standard alternative clients payments nearly all of that position restricted in nature. Unrestricted portion has increased to $31.6 million principally from delaying spending on plan capital investments and remains less than 1% of total deposition. Moving on to discuss the statement of changes in net position. Total revenues were approximately $2.1 billion or a decrease of 6.7% from last fiscal year. Aside from the larger items previously mentioned, offsetting that decrease was an increase in utility surcharge assessments, mainly in the Clean Energy Fund of $38.7 million energy storage of $40.5 million. Total expenses of $1.5 billion were down $208.5 million or 12.1% lower than last year. Program expenditures comprised 90% of total expenses and decreased $224.8 million versus the prior year. Again, this reflects the effect of direct exec timing and offshore wind and port spending reductions.

The package includes the standalone financial statements for NY Green Bank, which are also reflected in the business type activities column of the NYSERDA service statements. To highlight a few key points, Green Bank ended the fiscal year with approximately $1.4 billion in total assets. This is driven primarily by $720.9 million in loans and financing receivables alongside $691 million in cash and investments. Importantly, roughly $285 million of that cash comes from the 2025 Greenhouse Gas Reduction Fund sub-award, which currently remains frozen by the EPA and is subject to ongoing litigation. The remaining cash is expected to be afforded to future loans.

Liabilities remain minimal consisting almost entirely of unearned revenue tied to those frozen sub-award funds. Looking at operational performance, total revenues were $33.9 million against $18.3 million in expenses. While loan interest income was slightly lower this year, strong investment returns, steady transaction fees still drove a $15.6 million increase in that position. Having been fully self-sustaining for several years, the Green Bank's punitive net income since inception has now reached $132.7 million. This supplements the original Clean Energy Fund capitalization bringing the Green Bank’s total net position to $1.13 billion or roughly 35% NYSERDA's overall net asset balance. In closing, our control environment remains strong. We continue to diversify funding sources and RGGI auction results continue to represent a larger portion of our balance sheet revenues. Certainly remains with respect to future federal grant funding. Our ending unrestricted net position remains appropriate to meet working capital needs. This concludes my report. I'd be happy to answer any questions at this time. Andrew Kessler and Mike Fagan from NY Green Bank are also here for questions specifically agreement.

Charles Bell:
Thank you, Chris. Are there any questions?

Lindsay Greene:
No.

Jennifer Hensley:
No.

Charles Bell:
Thank you. We will now consider a resolution recommending approval of the financial statements after we have met in executive session with the independent auditors. May I please have a motion to convene an executive session to discuss the Authority's financial condition?

Lindsay Greene:
So moved.

Jennifer Hensley:
Second.

Charles Bell:
Second. All in favor, please say aye.

Members of the Committee:
Aye. Aye.

Charles Bell:
Any opposed? Resolution is approved. The Members will now enter into executive session. I would like everyone but the Members and the independent auditors to please leave the room. During the executive session, the webcast will remain up and upon our return, we will reconvene. Meeting is reconvened in open session. No action was taken during the executive session. May I please have a motion recommending adoption of the financial statements of the Authority and the NY Green Bank?

Jennifer Hensley:
So moved.

Lindsay Greene:
Second.

Charles Bell:
Second. All in favor? Say aye.

Members of the Committee:
Aye.

Charles Bell:
Any opposed? The financial statements of the Authority and NY Green Bank have been recommended for approval. Thank you. The next item is the Annual Bond Sales Report. The Authority's Chief Financial Officer, Emily Jamison, will discuss this item. Emily?

Emily Jamieson:
Good afternoon. Good. Good afternoon. Pursuant to the requirements of Public Authorities Law, we're requesting Members to adopt a resolution approving submission of our Annual Bond Sales

Report. So our Annual Bond Sales Report basically shows that during the year we issued on Authority new issuance. There were four retirements and there were no conversions and no refundings. That issuance was our Green Jobs-Green New York residential clean energy efficiency financing, Green Revenue bond series 2025A in the amount of $60 million. For the retirements, there was one retirement of NYSERDA bonds, which was the residential solar and energy efficiency financing Green Revenue bonds, which was our 2019 As. That was $15.5 million. And then the rest of our retirements were actually all conduit issuances. So there was a series 2010A ConEd facility revenue bonds that were $224.6 million that were retired. And then there were two Niagara Mohawk Power Corporation pollution control revenue bonds.

It's the series 1985 BNC and those were $37.5 million each. So that's sort of the summary of all the bonds for last year. Total outstanding remains at $1.3 billion, but of note, $1.1 billion of that is conduit bonds. So most of our financings are within that conduit program. Any questions?

Charles Bell:
Are there any questions for Emily?

No. Okay. Thank you. Thank you, Emily. May please have a motion recommending approval of the Authority's Annual Bond Sales Report.

Lindsay Greene:
So moved.

Jennifer Hensley:
Second.

Charles Bell:
Second. All in favor?

Members of the Committee:
Aye.

Charles Bell:
Any opposed? Bond sales report has been recommended for approval. Thank you so much, Emily. The next item on the agenda is the review and approval of the Audit and Finance Committee Charter. Pursuant to the Public Authorities Accountability Act 2005, each of the Authority’s Committees adopted Charters setting forth the 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. A copy of the current Committee Charter was included in your meeting package. 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 Authority’s that are reviewed include the New York Power Authority, Long Island Power Authority, Dormitory Authority, and the Environmental Facilities Corporation. Management is not recommending any changes to the Audit and Finance Committee Charter at this time. Are there any questions or suggested changes to the charter?

Members of the Committee:
No.

Charles Bell:
If none, may please have a motion recommending approval of the Audit and Finance Committee charter.

Lindsay Greene:
So moved. Second.

Charles Bell:
Second. All in favor?

Members of the Committee:
Aye. Aye.

Charles Bell:
Any opposed? Motion is carried. The Committee's Charter has been recommended for approval. Last item is other business. Are there any additional items the Committee Members wish to discuss?

Members of the Committee:
No.

Charles Bell:
May please have a motion to adjourn.

Lindsay Greene:
So moved. Second.

Charles Bell:
Second. All in favor? Opposed meeting is adjourned.