

## NYSERDA'S 163<sup>RD</sup> AUDIT AND FINANCE COMMITTEE MEETING

April 29, 2026

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**Jay Koh:**

I call this meeting to order. A notice of the meeting and agenda was mailed to Committee Members on press on April 17, 2026, and a revised agenda was issued on April 28, 2026. This meeting is being conducted by video conference. The Authority will post a video and a transcript of this meeting on the web. To confirm that we have a quorum, I would like each of the Committee Members to introduce themselves. I will start. I am Jay Koh, Chair of the Committee.

**Jen Hensley:**

Jen Hensley, Member of the Committee and Member of the Board.

**Charles Bell:**

Chuck Bell, Member of the Committee, Acting Chair of the Board.

**Jay Koh:**

Thank you. Have anybody else? Okay. The first item on the agenda is the approval of the minutes of the 162nd Committee meeting held on January 26, 2026. Me materials are in your documents. Are there any comments on the minutes? No comments. We have a motion approving the minutes.

**Jen Hensley:**

Motion.

**Charles Bell:**

Second.

**Jay Koh:**

All in favor?

**Members of the Committee:**

Aye. Aye.

**Jay Koh:**

Minutes are approved. The next item on the agenda is consideration of the amendments to the NYSERDA OPEB Trust Investment Policy Statement. Chris Russell, Vice President of Finance, will discuss this item. Chris.

**Christopher Russell:**

Good morning. So introduction, NYSERDA maintains and other post-employment benefits or OPEB Trust to fund the payment of a portion of eligible retiree health insurance premiums. Members are requested to annually approve the NYSERDA OPEB Trust investment report each June. And in advance of that, we present today updates the OPEB investment policy that are proposed based on a recent policy review and benchmarking exercise. At this Board meeting,

staff is recommending the approval of the updated policy statement for the NYSERDA OPEB Trust. With an increase in market volatility across many asset classes, NYSERDA staff identified an opportunity to revisit the OPEB investment policy to increase flexibility to preserve expected returns while reducing risk within the portfolio. The policy review and resulting proposed changes were made in consultation with NYSERDA's OPEB Trust Investment Consultant with Development Incorporated, and we have also benchmarked against investment policies of other New York state entity funds of similar size and objective.

In addition to recommending a few policy changes, we reorganize the policy document for easier application and alignment with peer group models. As a reminder, the OPEB trust is a long-term investment horizon with the target return based on actuarial studies that forecast approximate funding needs, considering factors such as demographics, insurance trends, and payment experience. The target assumes NYSERDA will continue to make an annual contribution to the trust, and the trust is currently well-funded and there may be an opportunity to reduce the need for such annual contributions over time, depending on policy, risk stance, and market trends. In support of attaining the target return, given the funding assumptions, the proposed updated policy maintains the previous 45% equity, 55% fixed income asset allocation targets, while allowing for greater flexibility within the major asset classes overall and reducing caps and certain riskier categories. Key changes include setting a lower cap to the maximum percentage invested in equities to reduce risk exposure in light of current prevailing volatility, setting the cap for alternative investments to 20%, which is about half of the current max, and reducing the for non-domestic investments to 25% versus today's 52%. And we also added, based on feedback, added a requirement to review the policy at minimum every four years, if not sooner, based on market conditions.

It is the view of staff and our investment consultant that these updates support typical portfolio rebalancing if needed to increasingly dynamic financial markets. With that, we pause for questions.

**Jay Koh:**

Thank you, Chris. Are there any questions for Chris? Just to kind of restate here, that OPEB Trust is well funded, which is great news. Is that correct?

**Christopher Russell:**

That is correct.

**Jay Koh:**

And this is simply to take account of some of the changes in the kind of global, political and economic context, which has changed market conditions to some degree, also changing the international versus domestic context and equity exposure. That's correct. And the recommendation is in line with management's view, but also informed by a third party consultant who's consistently provided us with advice strategy. Is that right? Great. Thank you very much. No further questions here. May I have a recommending approval of the amendments to the OPEB Trust Investment Policy Statement?

**Charles Bell:**

So moved. Second.

**Jay Koh:**

Second? Thank you. All in favor?

**Members of the Committee:**

Aye. Aye.

**Jay Koh:**

The OPEB Trust Investment Policy Statement is recommended for approval, and I also appreciate the addition of the four-year review, which I think is important so that we continue to look at these sets of conditions that adjust as necessary. Thank you, Chris. The next item in the agenda concerns the Annual Internal Audit Report for fiscal year 2025 to 2026, and approval of the Internal Audit Plan for fiscal year 2026 to 2027. The Authority's Director of Internal Audit, Jamie Fernandez, will discuss this item. Jamie?

**Jamie Fernandez:**

The Members are being provided with the Annual Internal Audit Plan for fiscal year 25 / 26 and the Internal Audit Plan for fiscal year 26, 27. In addition to our recent audit activity, I'll discuss the Annual Report, review Internal Audit Plan with you, and ask that you approve the fiscal year 26, 27.

The Annual Audit Report. The Annual Report included in the beach packet summarizes the audits and consulting activities that were performed and completed during the fiscal year that ended March 31, 2026. In addition to any audits and advisory engagements that have been reported at this meetings, I wanted to provide an update on the following items. So continuous monitoring for internal control assessment. In accordance with the approved Annual Audit Plan, we reviewed a sample of invoices as an advisory activity to assess project manager and above review and approval of invoices in accordance with NYSERDA's procedures. Assessing performed for this activity is used to assist the Office of State Controller certification of Internal Controls over the payment processes, which are due April 30, 2026. A report was provided to the VP of Finance and CFO Internal Control Officer for review prior to President's final review and approval. As for utility consent forms, the results of the advisory review were provided to the Chief Program Officer on March 2, 2026.

The purpose of the advisory review was to evaluate NYSERDA's processes to obtain and store customer utility consent forms, which are needed to perform to perform impact evaluations. And generally, most customer consent forms were readily, available, signed, and stored in a secure NYSERDA platform. Areas of approval are noted, which management is addressing.

Now we'll move to the Internal Audit Plan for 26-27. Just change the slide. Included in the meeting packet was a memorandum that asked the Committee to approve an Internal Audit Plan for fiscal year 26 / 27. If approved by the members, the Internal Audit Plans includes working with management on completing both audits and advisory activities. Proposed activities include an audit of the Green Bank deals transaction review process. This audit will review NY Green

Bank deals transactions and assess compliance with NY Green Bank's operations and procedural manual and related processes. Also, there's an audit of information technology general controls proposed. This audit will evaluate whether IT systems are secure, reliable, and up and properly controlled to support business operations and decision making. The audit will focus on user access, change management, data protection, and system operations, as well as compliance with New York State standards.

This audit is expected to be outsourced. Additionally, there's an audit proposed of cybersecurity and information security. This audit will evaluate whether the systems data operations are adequately protected against cyber threats, such as unauthorized access, data breaches, and service disruptions. The audit will focus on threat prevention, detection capabilities, incident response, and overall security governance, as well as compliance with New York City standards. This audit will be performed in conjunction with the ITGC audit as there will be overnight. It is also expected to be outsourced to the same ITGC audit previously. An audit on solicitation and non-competitive procurement. This audit will assess level of compliance with NYSERDA procurement guidelines and related processes. Additionally, advisory engagements being proposed, advisory consultation on strategic approval process. This advisory will assess level of compliance with N NYSERDA's strategic approval process. An advisory consultation on NY Green Bank collateral management and monitoring.

This advisory will review current risk processes and controls in NY Green Bank's management and monitoring of load collateral. An advisory consultation with examination, the controls of repayment processes for Annual Internal Communication. This is an annual commitment to perform a continuous monitoring review of payment transactions, which are included as part of the annual internal controls, excuse me, overpayment processes certification to the OSC. The scope and procedures are defined in consultation with VP of Finance. And finally, there's an external quality assessment. This is required every five years on the Institute of Internal Auditors for Internal Audit Functions. Internal audit will hire firm to perform a quality review of audits issued after March 31, 2022.

Internal audit is also required to perform additional activities to perform internal audit standards. These additional activities include participating in continuous professional development training, at least 40 hours per auditor per year, maintaining a quality assurance and improvement program, having follow-up processes to monitor the implementation of recommendations and communicated in internal audit reports. Regarding internal audit staffing, we extended an over to a new Internal Auditor in April 2026. We expect a start date of May 7th, 2026, after which internal audit will be fully staffed. Finally, the standards require that the Director of Internal Audit confirm to the Audit and Finance Committee, at least annually, the organizational independence of the internal audit function. The Director of Internal Audit will disclose to the Audit and Finance Committee any interference, internal auditors, encounter related to the scope, performance, or communication of internal audit work and results. We have reviewed the standards and we have no concerns regarding any impairments. Our formal individual attestations are documented in our audit files. Happy to take any questions.

**Jay Koh:**

That's great. And so that basically affirms the independence of the internal audit function, the lack of interference and cooperative actually engagement with management. Is that right?

**Jamie Fernandez:**

Yes.

**Jay Koh:**

Great. Are there any questions for Jamie? I just wanted to note that I think it's great that we are reprioritizing again the cybersecurity and the IT internal audit process. We continue to kick this off to the top of the agenda. The geopolitical situation is very challenging right now. There's been a lot of national warnings about potential cyber attacks. The Green Bank is a high profile entity that has the word bank in its name, and historically that's resulted in increased potential interest from both government and non-government cyber threats generally. So I think it's great to do this and make sure that we're continuing to look at this from a best practices standpoint. I also congratulate you on adding to the team on the internal audit side and services to execute this function appropriately and glad that you're continuing to engage in the, I guess, 40 hours a year of training, which I'm sure is important to keep you up to date with the best practices, but appreciate the independence and the importance of this function.

Any other questions or comments for Jamie? We have a motion approving the Internal Audit Plan for fiscal year 2026 to 2027.

**Charkes Bell:**

So moved.

**Jay Koh:**

Second.

**Jen Hensley:**

Second.

**Jay Koh:**

All in favor?

**Members of the Committee:**

Aye.

**Jay Koh:**

Opposed? The Internal Audit Plan for fiscal year 2026 to 2027 is approved. Thank you, Jamie. The next item on the agenda. Oh, yes. Lindsay, can you note that you have joined and tell your name and your membership with the Committee? And the Board?

**Lindsay Greene:**

Lindsey Greene, Member of the Board.

**Jay Koh:**

Thank you.

**Lindsay Greene:**

Joining in person.

**Jay Koh:**

Fantastic.

**Lindsay Greene:**

It's my WebEx.

**Jay Koh:**

Thank you. Thank you for joining. Appreciate your vote on these recommendations. The next item on the agenda concerns the issuance of bonds on behalf of the New York State Electric and Gas Corporation. The Authority's Chief Financial Officer, Pam Poisson, will present this item.

**Pam Poisson:**

Good morning, Chair Bell Members of the Committee. Thank you. Yes, this is with respect to a conflict bond to draw a distinction from NYSERDA direct issuances, and the Members are requested to adopt an implementing resolution on behalf of New York State Electric and Gas Corporation that will authorize the issuance of bonds in an aggregate principal amount, not to exceed \$65 million, to refund the series of bonds that were previously issued by the Authority in 2005. The prior bonds currently bear interest in the term rate and are held by Bank of America. The prior bonds had an attorney date of July 1, 2026. The refunding bonds are initially anticipated to be issued in a commercial paper rate, daily rate, weekly rate, monthly rate, semi-annual rate, and a term rate, and a fixed rate for the combination there that all would be privately placed with Bank of America.

Those refunding bonds are currently projected to save approximately \$10.7 million in interest cost savings on a present bond basis over the term of such bonds when compared to debt service on the prior bonds. Interest savings will accrue to the benefit of NYSERDA's rate payers in accordance with the company's rate plans as approved by the Public Service Commission on the firm. Some safeguards are important to note the refunding bonds would be backed by an irrevocable promissory note issued by NYSERDA late. In the past, the NYSERDA Board has authorized a waiver of the Authority standard requirement that utilities have an A rating at the time of conversion to term rate in excess of 13 months or fixed rate based on limited availability and the cost of letters of credit. NYSERDA is currently rated triple B plus by FISH, and NYSEG once again advises that bond insurance and letters of credit are still not widely available at reasonable cost.

And thus they request that the Board grant another waiver similar to those granted in the past of the Authority's rating requirement with respect to the rate of funding bond provided they are issued in a term rate in excess of 13 months or at a fixed rate, excuse me, if they are issued with these terms. That said, a vity facility would nonetheless be required at any time refunding bonds bear interest in an adjustable interest rate mode, other than the term rate of calculation period in

excess of 13 months or fixed rate. The refunding bonds would have to be rated at least by fit your standard enforce or BAG by means. They would also be required to be issued before July 1 of 2026 and achieve interest cost savings. Finally, the proposed refunding will require the approval of the Public Authorities Control Board, approval of the terms of sale by the State Comptroller, and approval of the trustee by the Department of Taxation and Finance.

NYSEG advises that it has authority from the New York Public Service Commission to refund the prior funds. And if I may, before pausing for questions, I would just like to confirm that we have want counsel.

Okay. So they, of course, have reviewed all of these materials and provided input to the resolution. And please correct me if I'm misstating in this regard that they are comfortable with the terms of this comport with tax requirements from a legal person. Yes. Okay. Thank you. Any questions of the Committee we wish to prepare?

**Jay Koh:**

Any questions for Pam? Just to be clear, the refinancing that is occurring here will reduce the rate payer burden by over \$10 million.

**Pam Poisson:**

Yes.

**Jay Koh:**

Great. We have a motion recommending approval of the issuance of bonds on behalf of the New York State Electric and Gas Corporation.

**Charles Bell:**

So moved.

**Jay Koh:**

Second.

**Jen Hensley:**

Second.

**Jay Koh:**

All in favor?

**Members of the Committee:**

Aye.

**Jay Koh:**

Opposed? The NYSEG bonds are recommended for approval. Thank you, Pam. The next item concerns a presentation from our independent auditors on the audit of the Authority's financial

statements and the NY Green Bank's financial statements for fiscal year 2024 to 2025<sup>1</sup>. Dean Geesler, the Lead Audit Partner from KPMG will present this item.

**Dean Geesler:**

Hi, everybody. I just want to confirm you can hear me okay?

**Jay Koh:**

Yes. It's a little.

**Dean Geesler:**

Okay.

**Jay Koh:**

A little quiet.

**Dean Geesler:**

Oh, a little quiet. Okay. I don't know where the microphone is. Is

**Jen Roberts:**

It up here? One

**Jen Roberts:**

Second.

**Dean Geesler:**

Is this better? Not better.

**Charles Bell:**

We're going to try to make an adjustment on our end. Oh. Okay. So I guess if you could just speak loudly.

**Dean Geesler:**

We will speak loudly. How's this?

**Jay Koh:**

That's much better.

**Dean Geesler:**

Very good. Excellent. Okay. So I believe the Committee has our presentation and we're going to, in the interest of time, hit the highlights. I've asked Lisa Pagliaro, Managing Director on the Engagement Team and Jen Roberts to join me in presenting the audit plan to you. As a reminder, each year we present this plan to the Committee or to the Board to make sure that we are communicating those things that we're required to communicate to you. And those things include our risk assessments, the general nature of our audit, as well as timing and general expectations regarding the audit. We also present a few other things related to the audit that are important from our perspective that describe our audit process and allows you to provide input and ask

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<sup>1</sup> Correct fiscal year is 2026-2027

questions to any of our risk assessments and the overall conduct of the audit. So we do have the pages that we've provided you.

Like I said, we'll hit the highlights, but if there are questions as we go, please feel free to ask. So if we can go to the next slide, please. Actually, I'm going to skip through these first few slides pretty quickly, but overall, what we've included in the presentation are the required communications, which includes some of the key risks in our overall audit plan, but it also includes a little bit of information on how we are investing in technology and ensuring that the experience of NYSERDA management is as positive as it can be. And we're not asking for things that are unnecessary and focusing on the right risks and those things that are important to the users of your financial statements. If we can jump two slides ahead, please.

So this slide here is kind of a picture of the feedback loop that we use. So we obviously utilize transaction listings and some of the data from NYSERDA. We try to get through that data as efficiently as we can, identify issues, select our samples, and do our testing. From there, we ensure that we are always communicating our overall status to management, that we're identifying the issues that require management's attention quickly, and discussing those things that may have an impact on the numbers, if you will, that show up in the financial statements. So overall, given our experience with NYSERDA over the years, as well as our investments in our people and our technology, we believe we are employing a process that is efficient and effective and that the audit itself is focused on the right areas. With that, I'm going to hand it over to Jen for a few comments on the next few slides, so we can jump forward to the service team.

**Jen Roberts:**

Perfect. Thank you, Dean. So here you'll see a slide on our Client Service team. So those noted in blue are continuing team members. So we do have a very continuous team here, including our specialist. So all of us here, Dean, Lisa, and myself are in the boardroom, and then we have our in-charge Senior Associate, Dylan, our same concurring Review Partner, Ed, and then we also have a Continuing Specialist who's valuing the OPEB liability. So we can go to the next slide, please. So here are our key areas of focus for the audit. For material routine transactions, just highlighting a few key items here, cash and investments. We're doing the New York State receivable. We perform procedures over zero emissions credits, renewable energy credits, and those utility surcharge assessments. We also perform procedures over allowance proceeds, the state appropriations and receivables, and then the New York State assessments.

So for key accounting estimates, we do perform procedures over the NY Green Bank loans, as well as accrued liabilities, and then that net OPEB liability. So those are for key estimates. We can move to the next slide.

So for the scope of the audit, I guess we wanted to highlight what's different in the current year. So in the current year, we've been working with Chris and his team to really accelerate the audit timeline. So we did push some of that audit work into the interim period. So we performed interim audit testing over Q1 and Q2 transactions for the following areas over program expenditures, utilities, surcharge revenue, ZECs, RECs and third party reimbursements. We did that work throughout October and November so that we can start the audit on a better foot forward here, having kind of half the year already tested. We can move to the next slide. So

along those lines, the KPMG way of auditing is moving towards this as well. So we are trying to push as much work as possible into that interim period to make sure that we are effective and that it minimizes NYSERDA's disruption for kind of pulling those samples, utilizing the resources to help us get that information we need to test.

So this diagram just shows a little bit of what the current goal is versus what the traditional process was with those peaks and valleys of our busiest time. So we are trying to push back and even out the work throughout the audit period. And I will turn it over to Lisa to bring us through our required communications.

**Lisa Pagliaro:**

Hey, thanks, Jen. We can move to the next two slides. So this slide summarizes our required communications. Some of this has already been covered by Dean and Jen and some we'll get into in the next couple slides. What I'll highlight here though is our actual main deliverables for the audit. So we will provide an opinion on the financial statements of not only NYSERDA, but also separately NY Green Bank, as well as performing an examination over the investment compliance of the Authority. A reminder, as we're performing our procedures, while we are observing internal controls throughout the process, the purpose of the audit is not to give an opinion on internal controls. However, if there is anything that comes up as we're performing our procedures, that is something that we will highlight to you. Moving on to the next slide, both Dean and Jen mentioned what's important to management and the users of the financial statements.

How we really determine this is based on materiality. That's how we frame our context for the nature and timing and extent of our procedures and the lens that we use to view the financial statements and the numbers that we're looking at. But we don't only just look at the numbers when we're doing that. It's a quantitative and qualitative assessment. What's important to remember here with NYSERDA, we are actually required under GASB 34 to have a separate materiality for each of the major funds. So we are using a different materiality depending on what we are looking at and how we determine that really management determines the major funds underneath GASB 34, the specific criteria there. And then we'll verify that as we're doing our procedure and set a materiality that is appropriate based on the fund level. So that's where the getting ahead on the sampling is very important because with each of the funds comes a different scope that we're looking at.

We can move on to the next slide, which highlights our timeline. So as Jen noted, we really focused on this year on accelerating our timeline from the prior year. So that would be the major shift you would see if you compared this to last year's. Overall, the procedures that we're performing are relatively consistent. It's just that we shifted up the timeline so that as we get going in the next two months, we are set up at a better spot and hopefully we'll continue to be able to accelerate that going forward. The next slide summarizes the significant risks we have identified throughout the audit. We do have just one significant risk here, which is the management override of controls. This is something that is present at every company that we audit. It is something that you cannot remove just based on the position that management is in to be able to manipulate the financial statements.

It is something that we consider throughout every audit we perform and throughout every procedure that we do. So we designed different procedures throughout our testing to address this. Specific procedures includes our high risk journal entry testing and specific criteria that we use, but we also bring this into our estimate testing, utilizing specialists and forming our own independent assessment on valuation to compare against management to review for potential bias and is something that we have in the back of our minds as we perform every piece of test work that we do. The next slide summarizes our involvement of others, a lot of which we've already mentioned. So we do involve a specialist to assist with reviewing the OPEB. And then as you know, we do involve MWBE firms to assist in our testing. We're continuing to utilize the same two firms we've used in the past that we actually utilize on various KPMG engagements and have a strong relationship with.

The next slide summarizes the newly effective accounting standards. So we will have some new standards this year for the Authority to adopt and then one coming up in the future.

**Dean Geesler:**

But they're not expected to have a material impact on NYSERDA.

**Lisa Pagliaro:**

Thanks, Dean. And then the next two slides summarize ... These are ones, actually the next three probably look very familiar from the past, summarizing our shared responsibilities over independence, which is something that KPMG has a number of policies and procedures and systems in place to ensure that we do remain independent, both as an engagement team and as a firm of NYSERDA. The next slide summarizes everyone's responsibilities as it relates to the financial statements and the audit. So the financial statements are the responsibility of management and KPMG's responsibilities as far as auditing those financial statements and communicating with yourselves and with management. The next slide is our required inquiries. Obviously, there are a number of items listed here. We would not expect to go through all of these today, but a good refresher and memory jogger for everyone on the call today. If there is anything that you're aware of that would impact our testing and the scope of our audit or hits any of these questions, we would welcome you to reach out to myself, Dean, or Jen at any time.

**Dean Geesler:**

Yeah. So just in summary, the audit plan itself is fairly similar to the past years with the addition of accelerating some of the test work streamlining year end and hopefully allowing us to get to the finish line in a more easier fashion. And then from there, we do have some insights in the appendices. You're going to see the term AI a lot in there. It's on everybody's mind. Something that we're paying attention to and something that you should as well. I noticed earlier the reference to cyber, looking at the cyber program and the more I hear about AI being utilized by some of the cyber criminals out there, the more I understand that we're all going to be needing to use AI to fight off those challenges and embed within our cyber program. So that's the only thing I'll throw in there as a quick comment regarding some of the items in the appendix. So we went quickly. I'm happy to answer any questions that you have though.

**Jay Koh:**

Any questions for the auditors? My one is, and I'm going to try to time limit this because I am quite curious to understand just the headline on how you guys are yourselves using or beginning to use AI in these kind of processes. I assume we've had a very long relationship with our external auditors. We have never had it as far as we can tell to time immemorial. A qualified audit opinion on the financials of the agency or the NY Green Bank, which we're very happy about. I think we've had a very cooperative relationship with management. Obviously have an independent, independent auditor, internal auditor process and function here, which I think is helpful also from a government standpoint. But just very quickly, if you could summarize how yourselves are using AI in this context and through this process.

**Dean Geesler:**

Well, for NYSERDA and our team, the way we use it is more behind the scenes using it to help us with research on technical accounting questions, using it to help us review the work that we've documented to ensure that it meets the standards. So we have these tools embedded within our own audit file. And it is, I'll call it a closed circuit tool where it's not allowing anyone else from outside of the firm to access your information, but it's more focused on our audit process. Going forward, we ... Well, I'll say it this way. On some clients where we get the data in the right format, we do utilize it to help us analyze transactions and identify anomalies. Because of the way NYSERDA processes its information and because of certain restrictions and how we can use that data, we haven't employed some of these tools yet.

And it's just as an example, NYSERDA does a lot of batch processing under its system and the tools don't work so well with that. But with some of the newer systems that are out there, the Workdays, the SAPs, Oracles that are, I'll say a little bit more based in the cloud and more based on transaction by transaction processing, kind of live updating as you go versus the batch processing. We can use that data more to analyze entire populations versus the customary random sampling approach.

**Jay Koh:**

Great. Thank you very much. Any other questions?

**Charles Bell:**

Yeah. I wanted to ask about Board Governance procedures with respect to management override of controls. I'm just wondering if there are any implications for our Board procedures or ... I know we have ethics guidelines, we have whistleblower policies, but just wondering if part of your review includes a check of what policies we should have in place internally looking at it from the Board lens.

**Dean Geesler:**

We do consider the policies and procedures you have from a Board perspective, consider the overall control environment. And so you mentioned a couple of important ones that we do consider. The whistleblower process is important. Your overall monitoring, having these meetings and connecting with internal audits. So we do meet with Jamie, for instance, every year to talk about the risks and the things that he may be working on or concerned with. So we do consider those things. And additionally, conflict of interest policies and procedures are also part of what we consider. So that's all in the background and part of how we risk assess and

determine the overall environment. Additionally, when we start thinking about, for instance, we use the term high risk journal entries. Just as an example, if Pam were to book a journal entry, that would be highly unusual. We would flag that and look at it.

As an example, it's never happened, but it's just a ... I'll call it an exaggerated example of the types of things we do look for, which would not necessarily entail what you do, but we do consider those things and those transactions you approve, for instance, and make sure that those kinds of documented approvals are appropriate.

**Charles Bell:**

Super. Thank you very much.

**Jay Koh:**

It might be possible if KPMG, if you have any kind of summary document of good practices, especially regarding state agencies and the kind of Board Governance context that's lying around, I think the Board would welcome and this Committee would welcome just having that as background. These things are evolving standards over time. I think we'll be facing all kinds of new challenges with how AI affects lots of things and our own interaction with different types of data. And so it'd be helpful if you have existing materials that you can share with us at some point, that would be useful.

**Dean Geesler:**

We will share some things.

**Jay Koh:**

Yes, thank you very much, Dean. No formal actions required by the Committee Members on this item. And thank you for the outline of the process and congratulations on beginning to load share a little bit across the calendar, some of the activities, especially when we're looking at increasing transactional activity in the ZEC and REC programs. The next item on the agenda is the appointment of the independent auditors to the Authority. Pam, will you discuss this item?

**Pam Poisson:**

Yes. Thank you. Good morning. The Members are requested to recommend that the President and CEO, let me just pause. I just wanted to confirm that we are continuing. We have guests on the call.

**Jen Roberts:**

Yeah.

**Pam Poisson:**

Yes. Okay. Just want to verify the protocol. Thank you. So we are requesting the President CEO of NYSERDA to be authorized to retain the firm of KPMG LLP as independent auditors for the Authority and for New York rebate for the fiscal year end of March 31, 2027. If approved, NYSERDA will enter into a contract that allows one year extensions upon Board approval for a total term of five years through the fiscal year 2031 audit. I'll share just a few highlights from the materials that are in your Board packet. In 2025, NYSERDA issued an RFP seeking proposals

from public accounting firms to provide independent audit services for a term of five years. KPMG's proposal was evaluated through a competitive selection process that included public notice of this opportunity and scoring of multiple proposals received. After careful consideration, the Authority recommends that KPMG be appointed. If so appointed, KPMG will perform a financial statement audit and deliver an opinion with regard to the Authority's consolidated financial statements, including the OPEB Trust and separate standalone financial statements for NY Green Bank.

The firm's fees and expenses for the services for year one of the proposed contract will not exceed \$194,500. KPMG, as most of you know, has previously served as the Authority's independent auditor, and in staff's view has a good grasp on the scope of NYSERDA's work. Consistent with auditing standards and The Survey Exhaust Act, the KPMG partner assigned to the audit engagement will rotate no less than five years. So while their team may have knowledge, we have objectivity and fresh perspective that comes as the condition of that location. Thank you. Let me pause here to see if there are any questions or issues.

**Jay Koh:**

Any questions for Pam? Just confirming for everybody, there's a competitive process by which we select KPMG. There is a continued rotation of the senior partner to make sure that there's some independence. And so this is in line with the past practice that we've engaged in here at the agency. There's also substantial involvement with MWBE firms as part of the overall engagement. They've just outlined the process as they have before. Any other questions from anyone else? We have a motion recommending approval of the appointment of KPMG LLP as independent auditors to the Authority.

**Lindsay Greene:**

So moved.

**Jay Koh:**

Second. All in favor?

**Members of the Committee:**

Aye.

**Jay Koh:**

The appointment of KPMG is recommended for approval. Thank you, Pam. The next item on the agenda is other business. Are there any other matters the Members wish to discuss? I just want to know how long we have Pam for now.

**Doreen Harris:**

Take that up in the Board meeting.

**Jay Koh:**

Okay. Any other business? Seeing none, may I have a motion to adjourn?

**Charles Bell:**

So moved.

**Jay Koh:**

A second. Good. All in favor?

**Members of the Committee:**

Aye.

**Jay Koh:**

This meeting is adjourned. Thank you very much.