**Karen Delince, Vice President and Corporate Secretary of New York Power Authority, written statement**

**Introduction**

Good morning, my name is Karen Delince and I am Vice President and Corporate Secretary at the New York Power Authority (“NYPA”). Thank you for the opportunity to address you today about NYPA’s governance.

I have spent the past 30 years representing organizations in management and oversight of board governance – first with the American Civil Liberties Union and as of 2009, at NYPA.

When I began my tenure at NYPA, I managed 4 governing bodies –

* NYPA board,
* 1 advisory board, the Economic Development Power Allocation Board or EDPAB as we call it, and
* 2 committees (Governance Committee and Audit Committee).

Over the years, the governance apparatus grew and today, NYPA’s governance structure includes the following 10 bodies:

* NYPA and it’s 3 advisory Boards (Economic Development Power Allocation Board, Western New York Power Proceeds Allocation Board and Northern New York Power Proceeds Allocation Board)
* 2 subsidiaries (New York State Canal Corporation and Captive Insurance Board)
* 4 committees (Governance, Audit, Finance and Risk and Resiliency) which serve both NYPA and the Canal Corporation.

Under the NYPA Bylaws, the Corporate Secretary’s Office (CSO) reports to the Trustees and General Counsel; however, the CSO also works closely with the Power Authority’s President and CEO.

The President and CEO is the head of the Executive Management Committee, or EMC. EMC is comprised of senior leadership and represents the various business units that comprise the Power Authority.

The President and Chief Executive Officer

Chief Operating Officer

General Counsel

Chief Financial Officer

Vice President of Human Resources

Chief Strategy Officer

Chief Information and Technology Officer

President of NYPA Development

Chief Innovation Officer

Chief Risk and Resilience Officer

The EMC meets twice a month to discuss/review corporate strategies, policies and programs affecting the operation and strategic vision and direction of the Power Authority.

Now I will address the governance structure of our Board of Trustees

**New York Power Authority Board**

The NYPA Board consists of 7 trustees appointed by the Governor with the advice and consent of the Senate for a term of 5 years.

While there is no requirement that members be chosen from a particular geographic area, the current board members come from the following counties: Niagara, St. Lawrence, Albany, Suffolk, Onondaga, and Richmond.

The Chair, who is chosen by the Trustees, is entitled to receive an annual salary of $90,800 under the Executive Law. All other Trustees are entitled to reasonable expenses only.

Because it is a 7 member board, four trustees constitute a quorum.

**Training and Filings**

The NYPA Board members take part in all required training and filings. My staff works closely with NYPA’s Ethics and Compliance Office to ensure that all trainings and filings take place in a timely manner.

**Committees**

NYPA trustees typically sit on one or more of the following committees: Audit, Governance, Finance, Risk and Resiliency. All the committees are comprised of not less than 3 independent Board members who possess the necessary skills to understand the duties and functions of the Committees.

**Audit Committee**

The Audit Committee is charged with recommending to the NYPA Trustees the hiring of a certified independent accounting firm; establishing the compensation to be paid to the accounting firm; providing direct oversight of the performance of the independent audit performed by the accounting firm hired for such purpose; and performing such other responsibilities as the Trustees may assign.

**Governance Committee**

The Committee is charged with reviewing corporate governance trends; recommending updates to the Authority's corporate governance principles; advising appointing authorities on the skills and experience required of potential Trustees; examining ethical and conflict of interest issues; performing Trustee self-evaluations; recommending By-laws changes; making recommendations to the Trustees on the election of officers and their compensation and performing such other responsibilities as the Trustees may assign.

**Finance Committee**

The Committee is responsible for reviewing proposals for the issuance of debt by the Authority, making appropriate recommendations to the Trustees and performing such other responsibilities as the Trustees may assign.

**Risk and Resiliency Committee**

The Committee is charged with assisting the Board in fulfilling its responsibilities for risk and resiliency management oversight and performing such other duties as the Board may assign.

**Advisory Boards**

NYPA Trustees review recommendations made by three (3) advisory boards regarding the allocation of low-cost power and proceeds to support economic growth in the state. These boards, which provide geographic diversity, are appointed by the Governor on recommendations made by the legislature. All of these boards have adopted bylaws, policies on ethics, conflicts of interest and lobbying contacts.

**Economic Development Power Allocation Board (“EDPAB”)**

EDPAB was established in 1987. The members serve for a term of 3 years. Two members are appointed by the Governor, one by the Speaker of the Assembly, and one by the President Pro Temp of the Senate. The Assembly Speaker’s recommendation has remained vacant since 2017. The chair of the Board is chosen by the Governor. New York State Economic Development Law provides for a quorum of three (3).

**Western New York Power Proceeds Allocation Board (“WNYPPAB”)**

The WNYPPAB Board has been operating since 2013. The members, who serve for 5-year terms, are appointed by the Governor with one member recommended by the Senate’s President Pro Temp and one by the Assembly Speaker. All the members must reside within a thirty-mile radius of the Niagara Power Project. The governor designates the chair of the Board. A quorum of 3 is required for doing business regardless of the number of members who sit on the Board. (EDL, Article 6)

**Northern New York Power Proceeds Allocation Board (“NNYPPAB”)**

The NNYPPAB Board has been operating since 2017 and consists of 5 members appointed by the Governor as follows: one member appointed on the recommendation of the Temporary President of the Senate and who resides within St. Lawrence County; one appointed on the recommendation of the Speaker of the Assembly and who resides within St. Lawrence County, and at least one additional member must reside within St. Lawrence County. The last two members are appointed by the Governor and may reside anywhere in the state of New York.

**NYPA Subsidiaries**

**New York State Canal Corporation**

In January of 2017, the NYPA Trustees met for the first time as the reconstituted Board of Directors of the New York State Canal Corporation – a subsidiary of NYPA responsible for the operation and maintenance of the New York State Canal System.

**NYPA Captive Insurance**

NYPA is in the process of establishing a new subsidiary, the Captive Insurance Board, to manage risks by self-insuring instead of utilizing third-party insurers. The members of the Captive Insurance Board are the members of the NYPA Board.

**Closing**

In closing, the goal of the Corporate Secretary’s office is to maintain a governance program that fosters an environment where decisions made by the Trustees are made with integrity, accountability, and transparency. My ability to do so rests upon the shoulders of ethical leaders, ones that hold themselves and the rest of us to highest standards.

I thank you for allowing me the opportunity to speak to you about NYPA governance. Please let me know if you have any questions.