



**NY Power  
Authority**

**KATHY HOCHUL**  
Governor

**JOHN R. KOELMEL**  
Chairman

**JUSTIN E. DRISCOLL**  
President and Chief Executive Officer

March 21, 2024

Honorable Thomas P. DiNapoli  
State Comptroller  
Office of the New York State Comptroller  
110 State Street  
Albany, New York 12236

Re: Implementation Status of 2020 Selected Management and Operations Practices – BuildSmart NY/Executive Order 88 Audit Recommendations

Dear Mr. DiNapoli:

Attached is the New York Power Authority's status report regarding its implementation of the recommendations provided by the Office of the New York State Comptroller, Division of State Government Accountability, in its "Selected Management and Operations Practices – BuildSmart NY/Executive Order 88," Report 2020-S-27 issued September 28, 2023.

Yours truly,

A handwritten signature in black ink, appearing to read "Justin E. Driscoll".

Justin E. Driscoll

Encl.

CC: Honorable Kathy Hochul  
Honorable Antonio Delgado  
Honorable Andrea Stewart-Cousins  
Honorable Robert G. Ort  
Honorable Carl E. Heastie  
Honorable Crystal D. Peoples-Stokes  
Honorable William A. Barclay  
Honorable Liz Krueger  
Honorable Thomas O'Mara  
Honorable Helene E. Weinstein  
Honorable Edward P. Ra  
Honorable John R. Koelmel



March 21, 2024

The New York Power Authority (NYPA) continues to advance New York State's revolutionary energy goals under the BuildSmart 2025 program. The State's commitment to promoting clean energy solutions and tackling climate change has been reinforced by Executive Order 22 and state legislation. The BuildSmart 2025 program is an integral part of those initiatives. In accordance with EO 22, NYPA will continue its work with Affected State Entities (ASEs) to achieve their allocated energy usage reduction goals toward a statewide goal of 11 trillion BTUs of energy savings to be achieved by end of year 2025 through the BuildSmart 2025 program.

NYPA's administration of BuildSmart 2025 are formed by the experience in its administration of Executive Order 88 and the feedback and recommendations NYPA has received from the Office of the New York State Comptroller (OSC or Comptroller) in the audit report (2023-S-27) titled: *New York Power Authority – Selected Management and Operations Practices*, for NYPA's management and operational practices of its BuildSmart NY program. NYPA values the lessons learned from OSC's auditing of its programs and appreciates its staff's work throughout the audit process as valuable input for continually improving NYPA's programs. NYPA agrees with OSC that the audit provides insights for NYPA's implementation of BuildSmart 2025. NYPA largely agrees with OSC's recommendations and addresses its responses to those recommendations as applicable toward NYPA's implementation of BuildSmart 2025.

Since the end of EO 88, NYPA has completed 96 projects that were committed under EO 88. In addition, since the end of EO 88, ASEs have submitted 394 projects completed independently in addition to the NYPA completed projects to further energy usage reduction achieved. Currently ASEs have reached 74% of the 11 TBTU goal under BuildSmart 2025. NYPA will continue its role in maintaining transparency and accountability from ASE's toward achieving their allotments under BuildSmart 2025.

As part of the BuildSmart 2025 program, NYPA has taken the actions discussed below in response to the OSC's recommendations.

**Recommendation 1:** Ensure that reports of results are based on the actual performance of the program, and clearly disclose the status of the projects that have been completed and those that are in other stages of the process.

**NYPA Action 1:** As part of its BuildSmart 2025 program, NYPA continues to provide transparency in its reporting of progress toward the statewide goal, tagging each contributing project with a project status of completed or committed. For EO88 and EO22 reporting, NYPA lists both achieved and committed to projects. As projects are completed, the project status transitions from "committed to" to "completed" for that reporting year.

**Recommendation 2:** Disclose any adjustments to baseline or annual energy usage that impact the results being reported.

**NYPA Action 2:** NYPA, through EO 88 reporting, did report on adjustments with full transparency. NYPA agrees that such adjustments or changes in methodology that impact reported results should be disclosed to ensure transparency and reporting integrity. NYPA will continue to do so moving forward; however, for NYPA's administration of the BuildSmart 2025 program in support of EO22, this recommendation is not applicable. The baseline was established using 2014-15 consumption data for goal setting with no adjustments to baseline or annual energy usage.

**Recommendation 3:** Meet with agencies, and document agency responses to the recommendations from the ASHRAE Level II audits they paid for. This includes the reasons given for any recommendations the entity decides not to implement.

**NYPA Action 3:** NYPA continues to meet with the ASEs to review audit results and recommended measures. NYPA requires this analysis and requests that ASEs submit completed audits and master plans to NYPA for documentation. The ASEs advise NYPA on the measures moving forward. NYPA will take steps to include in its records measures that the ASEs plan to implement on their own or with a third party, and NYPA will require the ASE to document the reason(s) for not implementing a cost-effective measure(s). The information would be useful to NYPA in its monitoring and oversight of ASE compliance.

**Recommendation 4:** Develop a system to capture key communications between NYPA officials and their customers.

**NYPA Action 4:** NYPA reviews all ASE submissions for quality control and will continue to do so with the ASE designated point of contact for every communication. NYPA uses NY Energy Manager (NYEM) as a system of record to track all projects contributing to the program's goal. The ASEs are responsible for submitting and updating project data, and NYPA provides one-on-one training as well as written and video tutorials to support the ASEs. However, key communications previously identified by OSC relate to required ASE reporting under EO88. These reporting requirements are not part of an ASE's obligations under EO22.

**Recommendation 5:** Ensure all required reports are filed as required by the program and follow up where the reports are not received, including escalating the issue to the next level of executive management for corrective action.

**NYPA Action 5:** NYPA will continue to ensure that ASEs comply with reporting requirements. NYPA has contracted additional resources to assure that all required deliverables are received and documented. Any gaps in reporting will be escalated to the next level of ASE executive management for compliance and NYPA executive management for awareness.