*** § 1020-f. General powers of the authority.** Except as otherwise limited by this title, the authority shall have all of the powers necessary or convenient to carry out the purposes and provisions of this title, including without limiting the generality of the foregoing, the power:

(a) To sue and be sued in all courts and to participate in actions and proceedings, whether judicial, administrative, arbitrative or otherwise;

(b) To have a corporate seal, and to alter such seal at pleasure, and to use it by causing it or a facsimile to be affixed or impressed or reproduced in any other manner;

(c) To appoint officers, agents and employees, without regard to any personnel or civil service law, rule or regulation of the state and in accordance with guidelines adopted by the authority, prescribe their duties and qualifications and fix and pay their compensation. By January first, two thousand fourteen, the authority, through its governance committee, shall amend such guidelines to require that staffing at the authority is kept at levels only necessary to ensure that the authority is able to meet obligations with respect to its bonds and notes and all applicable statutes and contracts, and oversee the activities of the service provider;

(d) To purchase, receive, take by grant, gift, devise, bequest or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use and otherwise deal in and with, real or personal property whether tangible or intangible, or any interest therein, within the state;

(e) To acquire real or personal property, whether tangible or intangible, including without limitation property rights, interests in property, franchises, obligations, contracts, and debt and equity securities, by the exercise of the power of eminent domain; provided, however, that any real property acquired by the exercise of the power of eminent domain must be located within the service area;

(f) To sell, convey, lease, exchange, transfer, abandon or otherwise dispose of, or mortgage, pledge or create a security interest in, all or any of its assets, properties or any interest therein, wherever situated;

(g) To purchase, take, receive, subscribe for, or otherwise acquire, hold, make a tender offer for, vote, employ, sell, lend, lease, exchange, transfer, or otherwise dispose of, mortgage, pledge or grant a

security interest in, use and otherwise deal in and with, bonds and other obligations, shares or other securities (or interests therein) issued by others, whether engaged in a similar or different business or activity;

(h) To make and execute agreements, contracts and other instruments necessary or convenient in the exercise of the powers and functions of the authority under this title, including contracts with any person, firm, corporation, municipality, state agency or other entity in accordance with the provisions of section one hundred three of the general municipal law, and all state agencies and all municipalities are hereby authorized to enter into and do all things necessary to perform any such agreement, contract or other instrument with the authority;

(i) To borrow money at such rate or rates of interest as the authority may determine, issue its notes, bonds or other obligations to evidence such indebtedness, and secure any of its obligations by mortgage or pledge of all or any of its property or any interest therein, wherever situated;

(j) To arrange for guarantees of its bonds, notes or other obligations by the federal government or by any private insurer or otherwise, and to pay any premiums therefor;

(k) To issue such bonds or notes or other obligations whether or not the income therefrom is exempt from federal income taxation;

(l) To purchase bonds, notes or other obligations of the authority at such price or prices as the authority may determine;

(m) To lend money, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned or invested;

(n) To procure insurance against any loss in connection with its properties or operations in such amount or amounts and from such insurers, including the federal government, as it may deem necessary or desirable, and to pay any premiums therefor;

(o) To create or acquire one or more wholly owned subsidiaries in accordance with section one thousand twenty-i of this title to carry out all or any part of the purposes of this title;

(p) To negotiate and enter into agreements with trustees or receivers appointed by United States bankruptcy courts or federal district courts or in other proceedings involving adjustment of debts and authorize

legal counsel for the authority to appear in any such proceedings;

(q) To file a petition under chapter nine of title eleven of the United States bankruptcy code or take other similar action for the adjustment of its debts;

(r) To enter into agreements to purchase power from the power authority of the state of New York, the state, any state agency, any municipality, any private entity, or any other available source at such price or prices as may be negotiated; provided, however, that the authority shall not have the power to enter into any agreement or any negotiation for the purchase of power from the dominion of Canada, or any political subdivision, public authority or private corporation therein; but may enter into an agreement with the power authority of the state of New York for the purchase of such power;

(s) To enter into management agreements for the operation of all or any of the property or facilities owned by the authority;

(t) To transfer any asset of the authority to one or more (i) private utility or (ii) municipal gas or electric agency established pursuant to article fourteen-A of the general municipal law, for such consideration and upon such terms as the authority may determine to be in the best interest of the gas and electric ratepayers in the service area;

(u) Rate plans. Subject to subdivision six of section one thousand twenty-k of this title to fix rates and charges for the furnishing or rendition of gas or electric power or of any related service at the lowest level consistent with sound fiscal and operating practices of the authority and which provide for safe and adequate service. In implementing this power:

1. The authority and the service provider shall, on or before February first, two thousand fifteen, submit for review to the department of public service a three-year rate proposal for rates and charges to take effect on or after January first, two thousand sixteen.

2. The authority and the service provider shall thereafter submit for review to the department of public service any rate proposal that would increase the rates and charges and thus increase the aggregate revenues of the authority by more than two and one-half percent to be measured on an annual basis; provided, however, that the authority may place such

rates and charges into effect on an interim basis, subject to prospective rate adjustment; provided, further, that a final rate plan issued by the authority that would not so increase such rates and charges shall not be subject to the requirements of paragraph four of this subdivision and shall be considered final for the purposes of review under article seventy-eight of the civil practice law and rules. The authority and/or the service provider may otherwise submit for review to such department any rate proposal irrespective of its effect on revenues.

2-a. The authority and the service provider shall not submit any rate proposal that shall assess any fee, penalty or other charge of any kind for the voluntary termination of electric service to any residential customer for the purpose of utilizing alternative sources of electric generation in excess of that charged to customers who terminate their electric service for any other reason.

3. The authority shall not fix any final rates and charges proposed that would not be subject to review by the department of public service pursuant to paragraphs one and two of this subdivision until after holding public hearings thereon upon reasonable public notice, with at least one such hearing to be held each in the county of Suffolk and the county of Nassau.

4. Any recommendations associated with a rate proposal submitted pursuant to paragraphs one and two of this subdivision shall be provided by the department of public service to the board of the authority immediately upon their finalization by the department. Unless the board of the authority makes a preliminary determination in its discretion that any particular recommendation is inconsistent with the authority's sound fiscal operating practices, any existing contractual or operating obligations, or the provision of safe and adequate service, the board shall implement such recommendations as part of its final rate plan and such final determination shall be deemed to satisfy the requirements of this subdivision and be considered final for the purposes of review under article seventy-eight of the civil practice law and rules. The board shall make any such preliminary determination of inconsistency

within thirty days of receipt of such recommendations, with notice and the basis of such determination being provided to the department of public service, and contemporaneously posted on the websites of the authority and its service provider. The board shall thereafter, within thirty days of such posting and with due advance notice to the public, hold a public hearing with respect to its preliminary determination of inconsistency. At such hearing, the department of public service shall present the basis for its recommendations, the board shall present the basis for its determination of inconsistency and the service provider may present its position. The authority and the service provider may, during the time period before such public hearing reach agreement with the department on disputed issues. Within thirty days after such public hearing, the board of the authority shall announce its final determination and planned implementation with respect to any such recommendations. The authority's final determination of inconsistency shall be subject to any applicable judicial review proceeding, including review available under article seventy-eight of the civil practice law and rules.

(v) To enter upon any lands and within any building whenever in its judgment it may be necessary for the purpose of making surveys and examinations to accomplish any purpose authorized by this title;

(w) To enter into agreements to pay annual sums in lieu of taxes to any municipality with respect to any real property which is owned by the authority and is located in such municipality;

(x) To maintain an office or offices at such place or places in the state as it may determine;

(y) To make any inquiry, investigation, survey or study which the authority may deem necessary to enable it effectively to carry out the provisions of this title and, for that purpose, to take and hear proofs and testimony, and with the prior vote of a majority of the board which majority vote shall include the vote of the chairman to compel the attendance of witnesses and to require the production of records, books, papers, accounts and other documents, including public records, and to make copies thereof or extracts therefrom; and

(z) To adopt, revise, amend and repeal rules and regulations with respect to its operations, properties and facilities as may be necessary or convenient to carry out the purposes of this title, subject to the

provisions of the state administrative procedure act.

(aa) Notwithstanding any other provision of law to the contrary the authority shall not undertake any project without the approval of the public authorities control board created pursuant to article one-A of this chapter. Each application to the public authorities control board shall contain a project description and an explanation of why the project meets the standards for project approval set forth in this subdivision. The public authorities control board shall only approve a project proposed by the authority upon its determination that:

1. the project is financially feasible as the standard is defined in article one-A of this chapter;

2. the project does not materially adversely affect overall real property taxes in the service area;

3. the project is anticipated to result generally in lower utility rates in the service area; and

4. the project will not materially adversely affect overall real property taxes or utility rates in other areas of the state of New York.

(bb) Comprehensive and regular management and operations audits. 1. The authority and the service provider shall cooperate in the undertaking and completion of a regular and comprehensive management and operations audit conducted pursuant to the requirements of this subdivision and paragraph (d) of subdivision three of section three-b of the public service law. Such audit shall review and evaluate the overall operations and management of the authority and service provider, including such operations and management in the context of the authority's duty to set rates at the lowest level consistent with standards and procedures provided in subdivision (u) of this section, and include, but not be limited to: (i) the service provider's construction and capital program planning in relation to the needs of customers for reliable service; (ii) the overall efficiency of the authority's and service provider's operations; (iii) the manner in which the authority is meeting its debt service obligations; (iv) the authority's Fuel and Purchased Power Cost Adjustment clause and recovery

of costs associated with such clause; (v) the authority's and service provider's annual budgeting procedures and process; (vi) the application, if any, of the performance metrics designated in the operations services agreement and the accuracy of the data relied upon with respect to such application; and (vii) the authority's compliance with debt covenants.

2. The department of public service shall notify the authority that said department is in the process of initiating a comprehensive management and operations audit as described in paragraph one of this subdivision in a manner that ensures the timeliness of such audit, and in accordance with the following timeframe: the first comprehensive management and operations audit shall be initiated as of the effective date of chapter eight of the laws of two thousand twelve and undertaken in a manner and to an extent that is practicable in the context of the authority's transition to a new management service structure; the second comprehensive management and operations audit shall be initiated no later than December fifteenth, two thousand sixteen; and all additional comprehensive management and operations audits shall be initiated at least once every five years thereafter. Within a reasonable time after such notification to the authority, said department or the independent auditor retained by the authority to undertake such audit shall hold public statement hearings, with proper notice, in both Nassau and Suffolk counties for the purpose of receiving both oral and written comments from the public on matters related to such audit as described in paragraph one of this subdivision.

3. Each such audit shall be completed within eighteen months of initiation absent an extension for good cause shown by the department of public service or the independent auditor under contract with the authority with notice of such extension to the governor, the temporary president of the senate, the speaker of the assembly, and the chairs of the authority and the department of public service. Such audit shall be provided to the board of the authority immediately upon its completion. The department of public service shall provide notice of completion of such audit to the governor, the temporary president of the senate, the speaker of the assembly, and the minority leaders of the senate and

assembly, and the authority, upon receipt of such audit, shall post a copy of such audit, including findings and recommendations, on its website and the website of the service provider. Unless the board of the authority makes a preliminary determination that any particular finding or recommendation contained in such audit is inconsistent with the authority's sound fiscal operating practices, any existing contractual or operating obligation, or the provision for safe and adequate service, the board shall implement or cause its service provider to implement such findings and recommendations in accordance with the timeframe specified under such audit.

4. The board of the authority shall make any preliminary determination of inconsistency with respect to any such finding or recommendation within thirty days of receipt of the audit, with notice and the basis of such determination being provided to the department of public service. Such notice and basis shall be posted contemporaneously on the authority's website and the website of the service provider and the board shall, within thirty days of such posting and with due advance notice to the public, hold a public hearing with respect to its preliminary determination of inconsistency. At such hearing the department of public service or the independent auditor responsible for undertaking such audit shall present the basis for its findings and recommendations and the board shall present the basis for its determination of inconsistency and the service provider may present is position. The authority, service provider and auditor may during the time period prior to such public hearing reach agreement on disputed issues. Within thirty days after such public hearing, the board of the authority shall announce its final determination and planned implementations with respect to any such findings and/or recommendations. The authority's final determination of inconsistency shall be subject to any applicable judicial review proceeding, including review available under article seventy-eight of the civil practice law and rules.

5. Notwithstanding the foregoing, in the event that a comprehensive and regular management and operations audit as conducted in accordance with this subdivision indicates a finding of fraud, abuse or

mismanagement by a service provider of the authority, and upon a finding by the public service commission that reasonable cause exists for the basis of such indication, the public service commission may order that any recommendations contained in the regular management and operations audit be implemented. The public service commission may also provide in their order, the date in which the recommendations be fully implemented. Failure to comply with any such order can result in the imposition of a civil penalty by the public service commission against the service provider.

(cc) To prepare an emergency response plan pursuant to this subdivision. 1. The service provider shall, in consultation with the authority, prepare and maintain an emergency response plan (i) to assure the reasonably prompt restoration of service in the case of an emergency event, defined for purposes of this subdivision as an event where widespread outages have occurred in the authority's service territory due to a storm or other causes beyond the control of the authority and the service provider, (ii) consistent with the requirements of paragraph (a) of subdivision twenty-one of section sixty-six of the public service law and any regulations and orders adopted thereto, and (iii) establishing the separate responsibilities of the authority and service provider. Such emergency response plan shall include plans setting forth how the communication and coordination of efforts between the authority, service provider, authority employees, service provider employees, authority company crews, service provider company crews, mutual aid crews, other utilities, local governments and any service provider or other entity performing services to assist the authority shall occur. Such emergency response plan shall include identification of and outreach plans for customers who have documented their need for essential electricity for medical needs, which shall include but not be limited to, apnea monitors for infants, cuirass respirators, hemodialysis machines, intravenous feeding machines, intravenous medical infusion machines, oxygen concentrators, positive pressure respirators, respirators/ventilators, rocking bed respirators, suction machines, and tank type respirators.

2. On or before February third, two thousand fourteen, the authority and service provider shall submit an emergency response plan to the

department of public service for review. Contemporaneously with such submission, the authority shall provide notice of such proposed plan to the secretary of state for publication in the state register, the authority and service provider each shall post such plan on their websites and otherwise make such plan available for review in-person, and afford members of the public an opportunity to submit written comments and oral comments pursuant to at least one hearing to be held each in the county of Suffolk and the county of Nassau. Such written comments must be submitted by March fourteenth, two thousand fourteen. The authority and service provider shall provide a copy of all written comments they receive and a transcript of such public hearings to the department of public service for its consideration in reviewing the emergency response plan. The department shall provide any recommendations to the authority and service provider with respect to such plan on or before April fifteenth, two thousand fourteen. Such plan must be made final by June second, two thousand fourteen. For each year thereafter, the service provider shall submit an emergency response plan to the department of public service, and such department shall provide its recommendations, in accordance with a schedule to be established by such department and that is consistent with the schedule associated with such department's review of similar such plans provided by electric corporations pursuant to subdivision twenty-one of section sixty-six of the public service law.

3. By June second, two thousand fourteen, and by June first annually thereafter, the authority and service provider shall jointly certify to the department of homeland security and emergency services that the emergency response plan ensures, to the greatest extent feasible, the timely and safe restoration of energy services after an emergency consistent with the requirements of paragraph (a) of subdivision twenty-one of the public service law and the department's recommendations. The filing of such emergency response plan shall also include a copy of all written mutual assistance agreements among utilities. The authority and service provider shall file with the county executives of Nassau and Suffolk county and the mayor of the city of New York the most recent version of the emergency response plan, and make sure that such amended versions are timely filed.

4. Starting in calendar year two thousand fourteen, the service provider annually shall undertake at least one drill to implement procedures to practice its emergency response plan. The service provider shall notify and allow participation in such drill of all appropriate municipal emergency responders and officials.

5. If, during an emergency event, electric service is not restored in three days, the service provider shall within sixty days from the date of full restoration file with the department a report constituting a review of all aspects of the preparation and system restoration performance during the event, and shall thereafter take into consideration any recommendations made by the department associated with such review.

(dd) On or before January first, two thousand fifteen, and by January first of each calendar year thereafter, to submit for review to the department of public service a report detailing the service provider's planned capital expenditures.

(ee) On or before July first, two thousand fourteen, and annually thereafter, to submit for review to the department of public service any proposed plan related to implementing energy efficiency measures, distributed generation or advanced grid technology programs for the purpose provided pursuant to paragraph (g) of subdivision three of section three-b of the public service law.

(ff) To assist and cooperate with the department of public service with respect to any review undertaken pursuant to section three-b of the public service law, including providing the department with reasonable access to all facilities and premises owned or operated by the authority or its service provider, allowing review of all books and records of the authority and its service provider, providing copies of requested documents, allowing interviews of all appropriate personnel, and responding in a reasonable and timely manner to any inquiries or reporting requests made by the department; provided, however, that the obligations set forth in this subdivision shall not extend to affiliates of the service provider.

(gg) Renewable generation and energy efficiency programs. 1. The authority in coordination with the service provider, the power authority

of the state of New York and the New York state energy research and development authority shall, to the extent the authority's rates are sufficient to provide safe and adequate transmission and distribution service, and the measures herein, undertake actions to design and administer renewable energy and energy efficiency measures in the service area, with the goal of continuing and expanding such measures that cost-effectively reduce system-wide peak demand, minimize long-term fuel price risk to rate payers, lower emissions, improve environmental quality, and seek to meet New York state climate change and environmental goals. Such actions shall also include implementation of any renewable energy competitive procurement or feed-in-tariff programs that were approved by the authority as of the effective date of the chapter of the laws of two thousand thirteen which added this subdivision.

2. The service provider shall consider, consistent with maintaining system reliability, renewable generation and energy efficiency program results and options in establishing capital plans.

(hh) Starting in calendar year two thousand fifteen, the authority and the service provider shall submit to the department of public service for review, any and all data, information and reports which set forth the service provider's actual performance related to the metrics in the operations services agreement, including the authority's evaluation thereof, no less than forty-five days prior to the authority's determination of the service provider's annual incentive compensation.

(ii) The service provider shall assist and cooperate with the department of public service with respect to providing any data or information necessary for the department to post a compensation statement for the service provider in accordance with subdivision three of section one hundred eleven-a of the public service law.

* (jj) As deemed feasible and advisable by the trustees, to enter into contracts with the power authority of the state of New York for the provision of bill credits generated by the production of renewable energy by a renewable energy system developed, constructed, owned, or contracted for by the power authority of the state of New York under the renewable energy access and community help program established pursuant to subdivision twenty-seven-b of section one thousand five of this

article and, unless such end-use electricity consumers opt out, to provide such bill credits to low-income or moderate-income end-use electricity consumers in disadvantaged communities, including such end-use electricity customers who have or who reside in buildings that have on-site net-metered generation or who participate in a community choice aggregation or community distributed generation project.

* NB There are 2 sb (jj)'s

* (jj) The authority and its service provider shall permit a residential customer to designate a third party to receive notice of the total amount due or past due on all bills, the amounts of any payments paid by or on behalf of such residential customer, and copies of all notices relating to termination of service and notices relating to collection of amounts due sent to such residential customer, provided that the designated third party indicates in writing a willingness to receive such notices, and provided further, where a residential customer opts for third-party notifications, such residential customer may opt to continue to receive such notices.

* NB There are 2 sb (jj)'s

(kk) The authority and its service provider shall permit a landlord, upon written request of both the landlord and tenant, to designate a third party to be notified of all requests for discontinuance of service to units occupied by such tenant, provided that the designated third party indicates in writing a willingness to receive such notices, and provided further, where the tenant and landlord customers opt for third-party notifications, such tenant and landlord customers may opt to continue to receive such notices.

* NB There are 2 § 1020-f's