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STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

December 31, 2025

John R. Koelman  
Chairman, Board of Trustees  
New York Power Authority  
123 Main Street  
White Plains, NY 10601-3170

Re: Selected Management and  
Operations Practices – BuildSmart  
NY/Executive Order 88  
Report 2024-F-37

Dear Mr. Koelman:

Pursuant to the State Comptroller's authority as set forth in Article X, Section 5 of the State Constitution; Section 2803 of the Public Authorities Law; and Chapter 469 of the Laws of 1989, we have followed up on the actions taken by officials of the New York Power Authority to implement the recommendations contained in our initial audit report, *Selected Management and Operations Practices – BuildSmart NY/Executive Order 88* (Report [2023-S-27](#)).

**Background, Scope, and Objective**

The New York Power Authority (NYPA) is a public authority created in 1931 by Title 1 of Article 5 of the Public Authorities Law. NYPA's mission statement is to "Lead the transition to a carbon-free, economically vibrant New York through customer partnerships, innovative energy solutions, and the responsible supply of affordable, clean, and reliable electricity." NYPA, overseen by a Board of Trustees, is a fiscally independent public corporation that principally operates on revenue received from the sale of electricity. Chapter 469 of the Laws of 1989 requires the State Comptroller to audit NYPA's management and operations at least once every 5 years.

NYPA is authorized by the Power Authority Act to help provide a continuous and adequate supply of dependable electricity to the people of the State. It generates, transmits, and sells electricity principally at wholesale. NYPA's primary customers are municipal and investor-owned utilities, rural electric cooperatives, high load factor industries, and other not-for-profit businesses located throughout New York State. In addition, customers include various public corporations located in southeastern New York within the metropolitan area of New York City, and certain out-of-state customers.

BuildSmart NY is the program created to carry out Executive Order 88 (EO 88). EO 88, which was issued on December 28, 2012, mandated a 20% improvement in the energy efficiency performance of State government buildings by April 2020. The organizations subject to EO 88—Affected State Entities—include "(i) all State Entities and departments over which the Governor has Executive Authority, and (ii) all public-benefit corporations, public authorities and

commissions, for which the Governor appoints the Chair, the Chief Executive, or the majority of Board Members, except for the Port Authority of New York and New Jersey.”

EO 88 set a goal to reduce the average Source Energy Usage Intensity (EUI) by at least 20% from the baseline of State Fiscal Year (SFY) 2010–11.

On April 1, 2020, New York introduced the BuildSmart 2025 program, which expanded upon the original program and set new objectives equivalent to a 34% reduction in energy usage from the baseline of SFY 2014–15.

On September 20, 2022, Executive Order 22 (EO 22) was issued to ensure that State agencies follow best practices in green purchasing and in their operations by issuing new green purchasing specifications and operational directives. EO 22 further built upon EO 88 with a goal of 11 trillion British Thermal Units (BTUs) of energy savings to be achieved by 2025 through the BuildSmart 2025 program. Each Affected State Entity is required to work with NYPA to achieve its allotted portion of the overall savings targeted by 2025.

The objectives of the initial audit, issued September 28, 2023, were to determine whether the 20% reduction in energy use required by EO 88 was achieved by April 1, 2020, and whether NYPA provided the required oversight to the Affected State Entities in line with EO 88 Guidelines. The audit found:

- NYPA did not reach the EO 88 goal of 20% reduction in EUI by April 2020. The actual EUI reduction reported was 14.4%, and when committed (incomplete) projects were added, the reduction in EUI was 22.6%. However, NYPA’s EO 88 Final Report Executive Summary included 123 projects of 158 that were not scheduled to be completed until as late as 2024. In addition, the final report was not publicly issued until April 2022.
- NYPA engaged a consultant because it realized it would not meet the goals of the program. Based on the consultant’s advice, NYPA adjusted the baseline data.
- Despite being the administrator of EO 88, NYPA did not believe it had the authority to require Affected State Entities to implement the recommendations from the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Level II audits the entities funded.
- NYPA’s Central Management and Implementation Team did not document its efforts at monitoring compliance with EO 88 and NYPA guidelines. NYPA did not provide minutes of meetings with the Affected State Entities, nor was NYPA able to provide all the Quarterly Reports the EO 88 Guidelines require. Additionally, when NYPA annually reported the status of the program, officials shied away from identifying the deficiencies in Affected State Entities’ compliance and asserted that they had no recourse to enforce EO 88.

The objective of our follow-up was to assess the extent of implementation, as of October 9, 2025, of the five recommendations in our initial audit report.

### **Summary Conclusions and Status of Audit Recommendations**

NYPA made progress in addressing the problems we identified in the initial audit report. Of the initial report’s five audit recommendations, two were implemented, two were partially implemented, and one is no longer applicable.

### **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.*

Status – Partially Implemented

Agency Action – For EO 22, the report of progress toward the individual target includes completed and committed projects. The report for the year ended December 2024 showed that 4.10 trillion BTUs in energy savings (43%) were completed and 5.45 trillion BTUs in energy savings (57%) were committed. We selected eight Affected State Entities that were allocated a total of 7.19 of the 11 trillion BTUs. As of August 19, 2025, their progress was 4.88 trillion BTUs (67.9%). In April 2020, NYPA reported the actual EUI reduction of 14.4% for EO 88. NYPA officials stated they continued tracking the status of the committed projects from EO 88 that were not completed but were included in the final report. In August 2025, they provided a list of 231 projects, of which seven were canceled and nine facilities were closed. They added that once the remaining 215 projects are completed, the EO 88 program will achieve a 22.57% EUI reduction. According to NYPA, as of August 19, 2025, it calculated that the EO 88 program is at 21.54%.

### **Recommendation 2**

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

Status – Not Applicable

Agency Action – No adjustments were made to the baseline or annual energy usage because EO 22 does not allow for any.

### **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.*

Status – Implemented

Agency Action – NYPA officials stated they annually survey the Affected State Entities on their progress toward meeting goals and submit annual reports to the Executive (Governor) as well as the Green NY Council's own progress toward the implementation of EO 22. They also meet with agencies as part of NYPA's administration of the BuildSmart 2025 program in support of EO 22. The Affected State Entities continue to determine which projects they will implement to meet their allocation of the 11 trillion BTU savings called for in EO 22.

#### **Recommendation 4**

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

Status – Implemented

Agency Action – NYPA reviews all Affected State Entities' submissions for quality control and will continue to do so with the 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. However, key reporting requirements under EO 88 are not part of the Affected State Entities' obligations under EO 22.

#### **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.*

Status – Partially Implemented

Agency Action – NYPA officials use a system of periodic written communication with the Affected State Entities regarding their progress toward the BuildSmart 2025 goals and related deliverables. The documents request entities to confirm their projects, energy data, and deliverables are complete, accurate, and up to date. Affected State Entities are required to also provide monthly energy consumption data for all fuel types (e.g., electric, natural gas, propane, steam, fuel oil) by entering information into NYEM. Entities with utility bills connected to NYEM do not have to submit their monthly energy consumption but are required to verify the accuracy and completeness of the data in the NYEM platform.

The major contributor to this report was Robert C. Mehrhoff.

NYPA officials are requested, but not required, to provide information about any actions planned to address the unresolved issues discussed in this follow-up within 30 days of the report's issuance. We thank the management and staff of the NYPA for the courtesies and cooperation extended to our auditors during this follow-up.

Very truly yours,

Carmen Maldonado  
Audit Director

cc: J. Driscoll, New York Power Authority  
S. Thakur, New York Power Authority