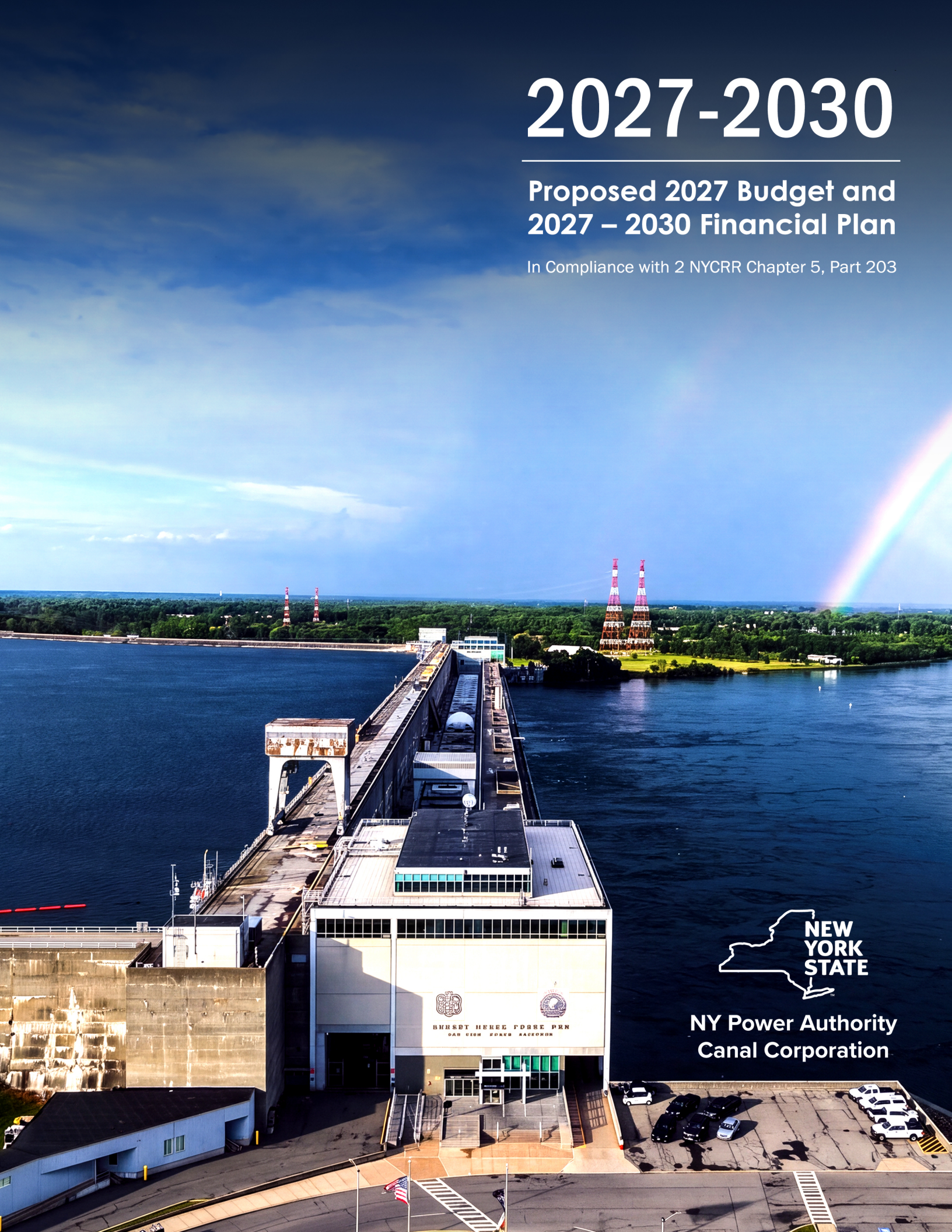
2027-2030

Proposed 2027 Budget and 2027 – 2030 Financial Plan

In Compliance with 2 NYCRR Chapter 5, Part 203



NEW YORK STATE

NY Power Authority
Canal Corporation

CONTENTS

Mission and Background of the Power Authority of the State of New York 1

Documentation and Exhibits Supporting the Budget and Financial Plan 4

(a) NYPA's Relationship With New York State Government 4

(b) Budget Process 5

(c) Budget Assumptions 13

(d) Self-Assessment of Budgetary Risks 31

(e) Revised Forecast of 2026 Budget 36

(f) Reconciliation of 2026 Budget and 2026 Revised Forecast 36

(g) Statement of 2025 Financial Performance 37

(h) Employee Data 38

(i) Gap-Closing Initiatives 38

(j) Material Non-Recurring Resources 38

(k) Shift in Material Resources 38

(l) Debt Service 38

(m) Capital Commitments and Sources of Funding 44

(n) Rating Discussion 47



MISSION OF THE POWER AUTHORITY OF THE STATE OF NEW YORK

The mission of the Power Authority of the State of New York ("NYPA") 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."

The Mission Statement adheres to maintaining the Authority's core operating businesses while also moving to support the energy goals of New York State on behalf of our stakeholders, codified primarily in the Clean Energy Standard ("CES,") the New York State Climate Leadership and Community Protection Act ("CLCPA,") the Accelerated Renewable Energy Growth and Community Benefit Act, and the Power Authority Act, Title 1 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended from time to time (the "Power Authority Act" or the "Act"), including amendments made in 2019 and in the 2023-24 Enacted State Budget. The Authority's financial performance goal is to maintain a strong financial position in order to have the resources necessary to achieve its mission.

The mission of the New York State Canal Corporation ("the Canal Corporation") is to "Operate and maintain a premier waterway and trail system that honors the historic legacy of the Erie Canal and offers unique recreational and tourism opportunities, while also promoting sustainable economic development throughout the canal corridor."

The mission of the New York Renewable Energy Development Holding Company ("NYREDHC,") a subsidiary of NYPA, is to "Lead the clean energy transition by developing, financing and owning renewable energy assets in the State of New York in a smart and collaborative way, alone and with partners, to support New York's decarbonization goals and ensure all New Yorkers benefit from the green economy."

BACKGROUND OF THE POWER AUTHORITY OF THE STATE OF NEW YORK

NYPA is a corporate municipal instrumentality and political subdivision of the State of New York (the "State") created in 1931 by the Act. NYPA has three subsidiaries: the Canal Corporation, NYPA Captive Insurance Company ("Captive") and NYREDHC. NYPA, the Canal Corporation, Captive and NYREDHC are collectively referred to as the "Authority" throughout this document. When specifically noted, the financial information for NYREDHC is stated separately.

NYPA owns and/or operates five major generating facilities, seven small natural gas power plants ("SNGPPs,") including four dual units, and four small

hydroelectric facilities with a total installed capacity of approximately 6,000 megawatts (“MW”) and approximately 1,565 circuit-miles of transmission lines, including major 765 kilovolt (“kV”) and 345 kV transmission facilities. NYPA also owns and operates one utility-scale 20-MW battery energy storage facility.

The Authority’s five major generating facilities consist of two large hydroelectric facilities (Niagara-Robert Moses Niagara Hydroelectric Power Station and St. Lawrence-Franklin D. Roosevelt,) a pumped-storage hydroelectric facility (Blenheim-Gilboa,) the Eugene W. Zeltmann (“Zeltmann”) combined cycle electric generating plant in Queens and the Richard M. Flynn combined cycle plant in Holtsville, Long Island.

NYPA’s customers include municipal and rural electric cooperatives located throughout the state, local governments, investor-owned utilities, high load factor industrial customers, commercial/industrial and not-for-profit businesses, public corporations within the metropolitan area of the City of New York (the “City,”) including the City, and entities in certain neighboring states.

Effective January 1, 2017, the Canal Corporation became a subsidiary of NYPA. The Canal Corporation is responsible for a 524-mile system consisting of the Erie, Champlain, Oswego and Cayuga-Seneca canals (the “Canal System.”) NYPA’s Board of Trustees is the governing board of the Canal Corporation, and NYPA has assumed certain powers and duties relating to the Canal System to be exercised through the Canal Corporation.

In May 2023, NYPA established Captive as a wholly owned subsidiary of NYPA to reduce NYPA and its subsidiaries’ need for commercial insurance and to enable NYPA to manage its overall risk more effectively and economically.

The 2023-2024 Enacted State Budget amended the Power Authority Act to, among other things, expand NYPA’s authority to plan, design, develop, finance, construct, own, operate, maintain and improve renewable energy generation projects (“Renewables Authority.”) NYPA was authorized to exercise and perform its Renewables Authority through one or more wholly owned subsidiaries. On November 21, 2024, NYPA incorporated NYREDHC under the State Business Corporation Law as a wholly owned subsidiary.

On June 23, 2025, New York Gov. Kathy Hochul requested that NYPA consider developing an advanced nuclear facility with at least 1 gigawatt (“GW”) of nameplate capacity. NYPA, in coordination with other State agencies, will seek to develop one or more nuclear energy facilities with a combined capacity of no less than 1 GW of electricity, either alone or in partnership with private entities, to support the electric grid and the people and businesses that rely on it. NYPA has no material contractual obligations relating to this announcement. Any material resources allocated or obligations undertaken relating to this announcement will be subject to the approval of NYPA’s Board of Trustees (the “Authority’s Trustees”) as deemed feasible and advisable.

VISION2030 RENEWED: 10-YEAR STRATEGIC OUTLOOK

VISION2030 Renewed is NYPA and the Canal Corporation’s refreshed strategic plan, outlining our multipronged commitment to driving New York State’s clean energy future. It was approved by the Board of Trustees in March 2025. Since the inception of the original VISION2030 strategic plan, the energy landscape has evolved, demanding that we remain agile, proactive and visionary in our approach. Built on NYPA’s strengths while leveraging our Renewables Authority, VISION2030 Renewed reinforces NYPA’s commitment to supporting grid reliability and the clean energy goals of our customers and the state while driving economic investment and the revitalization of the Canal Corporation.

The plan has four strategic priorities and five foundational pillars. The priorities are: Drive the clean energy transformation through emissions-free generation; Be the leading transmission developer, owner and operator for New York State; Enable customers to achieve their decarbonization goals; and Revitalize the New York State Canal System.

The pillars are: Uplift our people and live our values; Support the diverse needs of the communities in which we operate and impact; Build an innovation ecosystem that accelerates customer and grid decarbonization; Integrate sustainability into how we operate to drive value; and Strengthen our resilience for long-term viability.

Leaning into our successes over the last five years, our updated plan streamlines our strategic priorities for impact, while strengthening our foundational pillars to meet future demands.

RENEWABLES AUTHORITY AND CLEAN ENERGY PROMISE

The Power Authority Act was amended in 2023, referred to as the Renewables Authority, in support of the State’s renewable energy goals established in the CLCPA. NYPA was authorized to exercise and perform its Renewables Authority through one or more wholly owned subsidiaries.

NYPA expects that the activities of NYREDHC, as a separate legal entity from NYPA, will be conducted in a manner such that NYPA is not expected to be responsible for financial or other obligations. NYPA and NYREDHC executed a Shared Services Agreement on May 1, 2025 that provides for certain services to be distributed by NYPA to NYREDHC, with NYREDHC reimbursing NYPA for costs of supplying services.

The Renewables Authority allows NYPA to pursue renewable generation projects like solar, wind, geothermal,

battery storage and/or any technology identified in the Clean Energy Standard, either on its own or with third parties, and created a mechanism to develop clean energy workforce training programs and a bill credit program for low- and medium-income residential electricity ratepayers that will be funded by some of the proceeds earned from new renewable generation projects and other sources, including charitable donations from renewable project developers.

The 2023-2024 Enacted State Budget also amended the Act to (a) authorize the Authority to develop and implement, with the New York Public Service Commission (the "NYPSC,") the Renewable Energy Access and Community Help (REACH") Program, that will enable low- and moderate-income end-use electricity consumers in disadvantaged communities to receive bill credits derived from a portion of the revenues generated from new renewable energy generation projects developed or contracted for by the Authority to support the REACH Program; (b) direct the Authority to prepare a plan for ceasing electricity production at its SNGPPs by December 31, 2030, and to cease electricity production by such date if certain conditions are satisfied; and (c) authorize the Authority to make available up to $25 million annually to the New York State Department of Labor ("DOL") to fund programs established or implemented by or within the DOL, including, but not limited to, the Office of Just Energy Transition and programs for workforce training and retraining to prepare workers for employment for work in the renewable energy field.

On September 29, 2026, NYPA Trustees approved the release of $2 million to fund bill credits under the REACH program in 2027. It is expected that additional funds will become available when REACH projects come online. The Hannacroix Solar and Rich Road Solar projects, as mentioned below, are examples of projects that will contribute to the REACH program once operational.

BUILDSMART

BuildSmart 2025, New York State's collective effort to improve energy efficiency in State-owned buildings, has met its multi-year goal to reduce energy use in State buildings by 11 trillion British Thermal Units ("BTUs"). State entities were allocated a portion of the energy savings goal and reported energy saving projects as of December 31, 2025 that met the 11 trillion BTUs target. NYPA served as the program's administrator, working with agencies to effectively report their energy-saving project data and tallying the multi-year results showing the achieved reduction, equivalent to removing nearly 500,000 cars off the road.

Under BuildSmart 2030, Affected Entities are required to complete outstanding BuildSmart 2025 deliverables, advance committed projects under BuildSmart 2025, and maintain accurate and up-to-date energy and project data in NYPA's NY Energy Manager ("NYEM.") BuildSmart 2030 also reinforces and establishes best practice recommendations, including incorporating greenhouse gas ("GHG") emissions impacts into financial analyses and integrating asset-level submetering into capital improvement projects.

Article 4-D of the Public Buildings Law, added by Part RR of Chapter 56 of the Laws of 2023, authorizes the Authority to establish decarbonization action plans for 15 State-owned facilities that are among the highest producers of GHG emissions and collectively account for at least 30% of the GHG emissions as recorded by the Authority's BuildSmart NY program.

The plans are intended to serve as a basis for development of construction plans to decarbonize the State-owned facilities. The Authority is authorized to allocate up to $30 million to prepare the decarbonization action plans. The above actions, as described in the enactment, are executable as deemed advisable and feasible by the Authority's Trustees. As of January 31, 2026, NYPA completed and presented decarbonization action plans to each of the 15 highest-emitting State-owned facilities. NYPA stands ready to assist facility owners with implementation of the plans in accordance with the owners' priorities and funding. This report satisfies NYPA's statutory obligation pursuant to Public Buildings Law § 91(2).

SUSTAINABILITY

The Authority is committed to developing and implementing sustainable business practices that prioritize economic, environmental and social outcomes and contribute to long-term value for the Authority and its stakeholders. VISION2030 Renewed establishes four commitments to integrate sustainability into how the Authority operates and the 2026-2030 Sustainability Plan identifies a path to deliver on these commitments. This includes integrating sustainability considerations into project risk assessments, siting decisions and project designs to avoid or minimize negative impacts on the environment. The goals of the 2026-2030 Sustainability Plan are aligned with New York State Executive Order 22. To learn more about the Sustainability commitments and to view the 2026-2030 Sustainability Plan, please visit NYPA's Sustainability website.



DOCUMENTATION AND EXHIBITS SUPPORTING THE BUDGET AND FINANCIAL PLAN

a. THE AUTHORITY'S RELATIONSHIP WITH NEW YORK STATE GOVERNMENT

NYPA is a corporate municipal instrumentality and political subdivision of the State created in 1931 by the Power Authority Act to help provide a continuous and adequate supply of dependable electric power and energy to the people of New York State.

NYPA's operations are overseen by NYPA's Board of Trustees. The Trustees are appointed by the governor of the State with the advice and consent of the State Senate. The Authority is a fiscally independent public corporation whose generation and transmission operations are generally not supported by state tax revenues. From time to time, NYPA may receive appropriations of State funds to support specific projects. When eligible, the Authority is the recipient of federal and State monies that are used to offset non-utility activities in alignment with public policy.

This funding includes Federal Emergency Management Agency ("FEMA") disaster and hazard mitigation grants, federal infrastructure grants, and other State funding in support of New York State's clean energy vision and the Canal Corporation.

NYPA generally finances construction of new projects through internally generated funds and the sale of bonds and notes to investors, and it pays related debt service costs with revenues from the generation and transmission of electricity. The enacted State budgets for 2025–2026 and 2026–2027 included the Sustainable Future Fund, which authorized appropriations of up to $300 million in total for NYPA's renewable energy generation projects developed under the Renewables Authority. In addition, for the past three Enacted State Budgets, New York State appropriated $50 million annually in support of the Canal Corporation's capital expenses. Income of the Authority and properties acquired by it for its projects are exempt from taxation.

b. BUDGET PROCESS

NYPA operates in a capital-intensive industry where operating revenues and expenses are significant and highly variable due to the volatility of electricity prices and fuel costs. NYPA's operations are subject to electric market price and fuel cost variability, and volatility in water flows that directly affect the Authority's hydroelectric generation levels. This Proposed 2027 Budget and 2027 - 2030 Financial Plan ("Four-Year Financial Plan") relies on data and projections developed throughout the following time frame:

- July–October 2026: Developed preliminary forecasts of electric prices (energy and capacity;) ancillary services revenue and expenses; fuel expenses; customer power and energy use; customer rates; corporate operating expenses; Annual Transmission Revenue Requirement ("ATRR;") generation levels at NYPA power projects reflecting scheduled outages; and purchased power and energy requirements
- October 30, 2026: Proposed 2027 Budget and 2027–2030 Financial Plan was posted for public inspection at five convenient locations and on NYPA's website
- November –December 2026: Incorporated new financial data to produce the final 2027 Budget and 2027-2030 Financial Plan
- Seek authorization of NYPA's Board of Trustees to approve the final 2027 Budget and 2027–2030 Financial Plan at its meeting scheduled for December 8, 2026
- Submit the Approved 2027 Budget and 2027–2030 Financial Plan to the State Comptroller's Office; and make the approved document available for public inspection at five convenient locations and on NYPA's website upon Board of Trustees approval.



Four-Year Projected Income Statement[1]

(In $ Millions)

	2027	2028	2029	2030
Operating Revenues				
Generation Revenue	$1,142.3	$1,226.0	$1,212.8	$1,218.1
Ancillary Service Revenue	42.7	42.8	43.3	44.8
Transmission and Other	329.3	349.4	402.8	399.5
Separately Financed Projects Net Income	168.7	130.1	111.4	110.3
Non-Utility Revenue	82.7	74.2	77.4	81.7
Pass-Through Revenue	2,309.9	2,654.2	2,603.5	2,556.8
Operating Revenues Total	**4,075.6**	**4,476.7**	**4,451.2**	**4,411.2**
Operating Expenses				
Purchased Power	(19.2)	(18.9)	(18.6)	(18.7)
Fuel Consumed	(49.5)	(53.3)	(45.4)	(42.5)
Transportation and Delivery	(100.8)	(102.7)	(104.7)	(106.4)
Pass-Through Expense	(2,309.9)	(2,654.2)	(2,603.5)	(2,556.8)
Operations and Maintenance	(798.6)	(819.6)	(839.8)	(866.1)
Other Expenses	(155.2)	(141.2)	(169.0)	(140.9)
Allocation to Capital	65.2	81.0	78.9	63.9
Operating Expenses Total	**(3,368.0)**	**(3,708.9)**	**(3,702.1)**	**(3,667.5)**
Non-Operating Income and Expenses				
Depreciation and Amortization	(410.1)	(454.1)	(444.4)	(445.6)
Investment and Other Income	83.7	97.2	96.0	95.3
Canals Grant Proceeds	48.0	56.0	31.0	0.0
Mark to Market Adjustments	0.0	0.0	0.0	0.0
Interest and Other Expenses	(50.2)	(74.3)	(56.9)	(43.1)
Non-Operating Income and Expenses Total	**(328.6)**	**(375.2)**	**(374.3)**	**(393.4)**
NYPA/CANALS/SFP/CAPTIVE NET INCOME	**$379.0**	**$392.6**	**$374.8**	**$350.3**
NYPA/CANALS/SFP/CAPTIVE EBIDA[2]	**$791.3**	**$865.0**	**$845.1**	**$839.0**
NYREDHC NET INCOME	**$187.8**	**$27.1**	**$145.6**	**$278.8**

[1]Values in certain categories have been rounded.

[2]NYPA/CANALS/SFP/CAPTIVE EBIDA excludes Canals Grant Proceeds.

Gross Margin Analysis[1,2]

(In $ Millions)

	2027	2028	2029	2030
Generation Margin	$1,021.6	$1,100.8	$1,093.4	$1,099.1
Transmission Margin	491.3	472.1	507.6	505.5
Other Margin	166.9	171.9	174.0	177.5
TOTAL MARGIN	**1,679.8**	**1,744.8**	**1,775.0**	**1,782.1**
Other Operating Expenses	(888.5)	(879.8)	(929.9)	(943.1)
NYPA/CANALS/SFP/CAPTIVE EBIDA[3]	**$791.3**	**$865.0**	**$845.1**	**$839.0**
NYREDHC EBIDA	**$209.1**	**$82.9**	**$245.2**	**$395.9**

[1]Values in certain categories have been rounded.

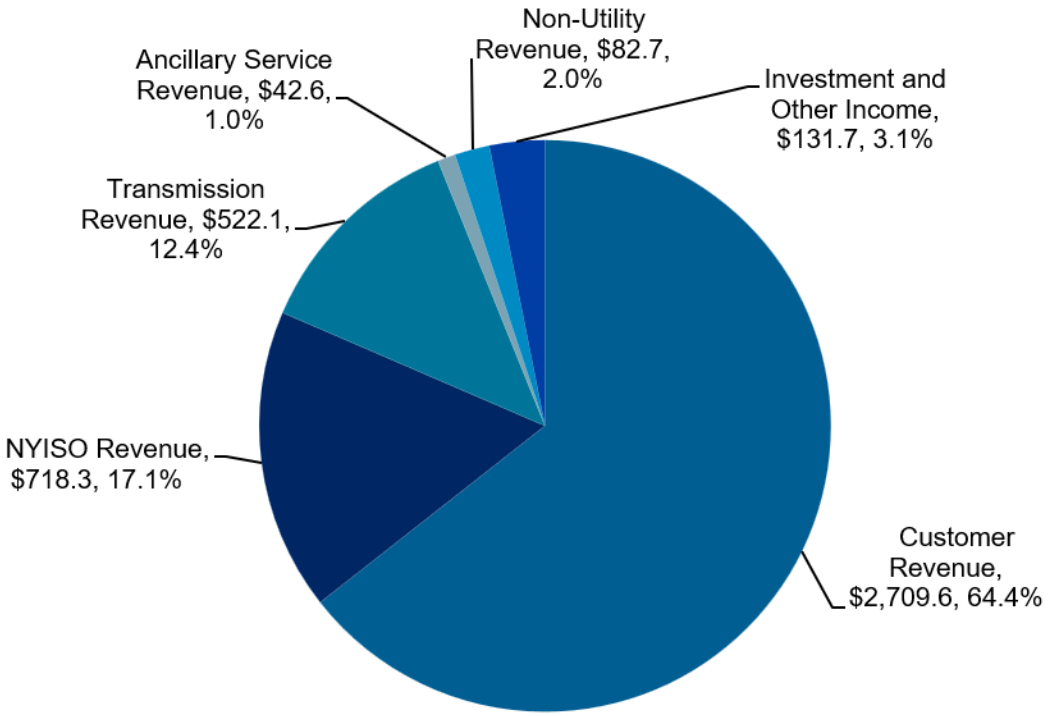
[2]Transmission Margin includes SFP Net Income and Other Margin includes Captive Net Income.

[3]NYPA/CANALS/SFP/CAPTIVE EBIDA excludes Canals Grant Proceeds.



2027 Budget – NYPA/CANALS/SFP/CAPTIVE Sources[1,2,3]

(In $ Millions)



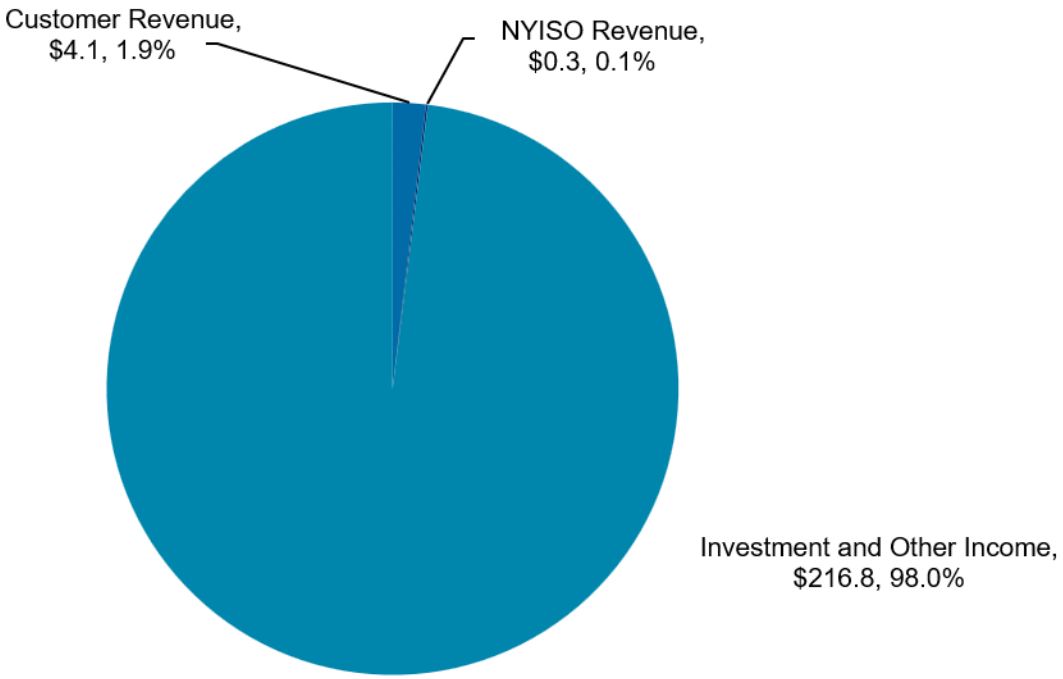
[1]Values in certain categories have been rounded.

[2]Transmission Revenue includes SFP Net Income and Investment and Other Income includes Captive Net Income.

[3]Values represented are inclusive of certain pass-through revenue items.

2027 Budget – NYREDHC Sources[1]

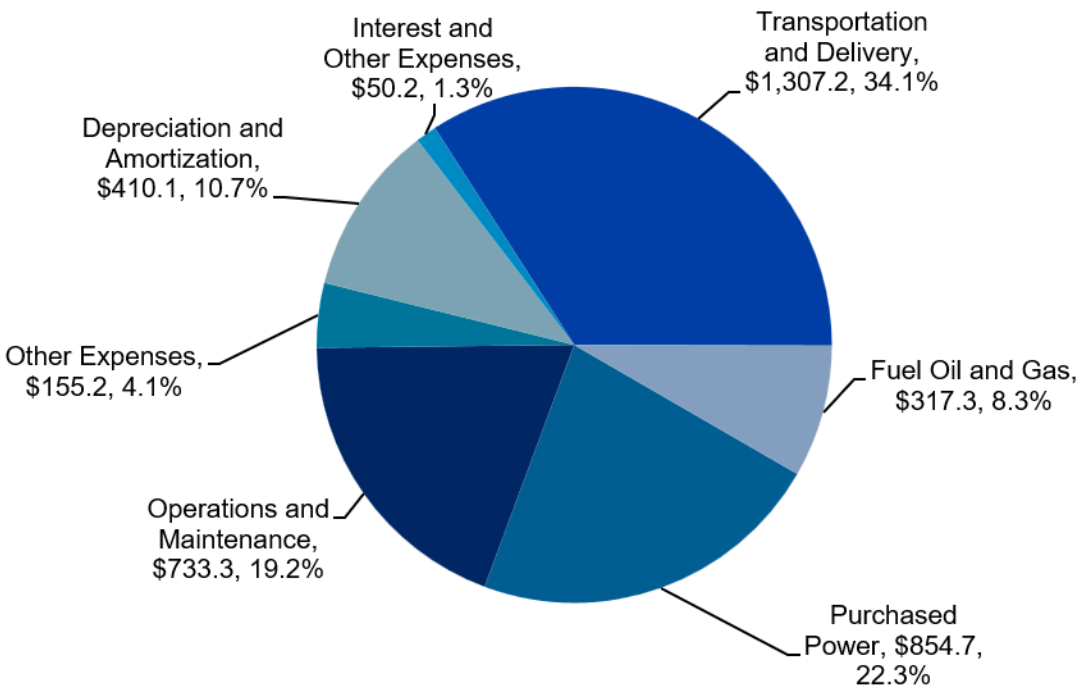
(In $ Millions)



[1]Values in certain categories have been rounded.

2027 Budget – NYPA/CANALS Uses[1,2,3]

(In $ Millions)



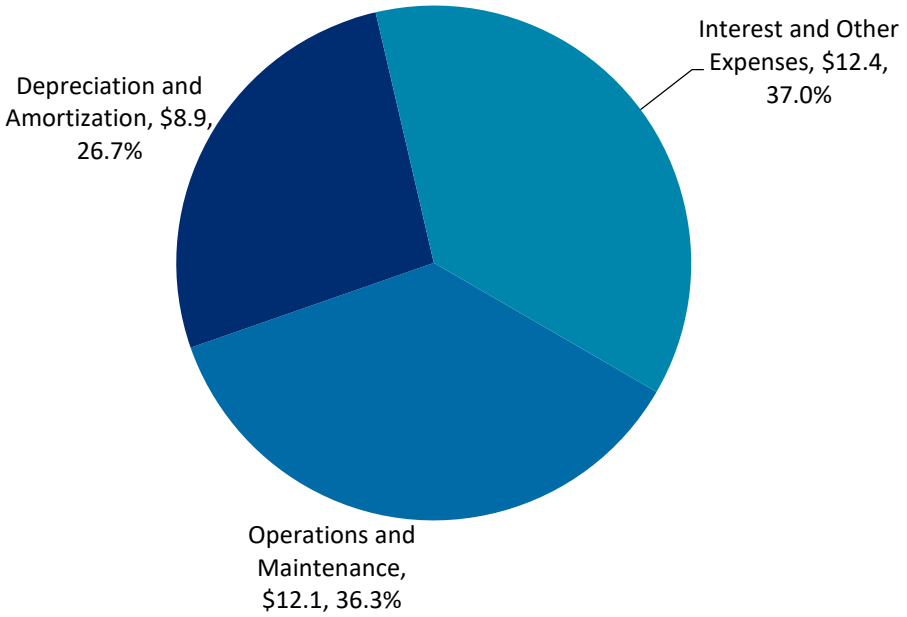
[1]Reflects NYPA/Canals' base Operations and Maintenance expenses plus Administrative and General expenses less the Allocation to Capital.

[2]Values above exclude SFP and Captive expenses.

[3]Values represented are inclusive of certain pass-through expense items.

2027 Budget – NYREDHC Uses[1]

(In $ Millions)



[1]Values in certain categories have been rounded.

Statement of Cash Flows[1,2,3]

(In $ Millions)

	2025	2026	2027	2028	2029	2030
Revenue Receipts						
Sale of Power, Use of Transmission Lines, Transportation and Delivery Charges and Other Receipts	$4,027.0	$4,495.3	$4,284.3	$4,713.6	$4,692.0	$4,680.1
Earnings on Investments and Time Deposits	94.0	93.9	125.1	156.4	130.2	98.4
Total Revenues	**4,121.0**	**4,589.3**	**4,409.3**	**4,869.9**	**4,822.1**	**4,778.5**
Expenses						
Operations and Maintenance, including Transmission of Electricity by Others, Purchased Power and Fuel Purchases	(3,341.0)	(3,770.0)	(3,484.9)	(3,838.0)	(3,840.7)	(3,817.7)
Debt Service						
Interest on Bonds and Notes	(145.0)	(109.1)	(109.6)	(126.4)	(123.6)	(165.7)
Bonds and Notes Retired	(20.0)	(33.8)	(57.1)	(56.5)	(41.2)	(90.0)
Total Debt Service	**(165.0)**	**(142.9)**	**(166.6)**	**(183.0)**	**(164.7)**	**(255.7)**
Total Requirements	**(3,506.0)**	**(3,912.9)**	**(3,651.5)**	**(4,021.0)**	**(4,005.5)**	**(4,073.4)**
Net Operations	**615.0**	**676.4**	**757.8**	**849.0**	**816.7**	**705.1**
Capital Receipts						
Sale of Bonds, Promissory Notes and Commercial Paper	21.0	0.0	849.6	0.0	348.0	0.0
Temporary Asset Transfer Return from New York State	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total Capital Receipts	**21.0**	**0.0**	**849.6**	**0.0**	**348.0**	**0.0**
Capital Additions and Refunds						
Additions to Electric Plant in Service and Construction Work in Progress and Other Costs	(861.0)	(849.5)	(987.3)	(875.0)	(865.1)	(802.8)
Construction Funds - Net Transfer	0.0	0.0	0.0	0.0	0.0	0.0
Total Capital Additions and Refunds	**(861.0)**	**(849.5)**	**(987.3)**	**(875.0)**	**(865.1)**	**(802.8)**
Net Capital	**(840.0)**	**(849.5)**	**(137.7)**	**(875.0)**	**(517.2)**	**(802.8)**
NYPA/CANALS/SFP/CAPTIVE Net Increase/(Decrease)	**($225.0)**	**($173.2)**	**$620.1**	**($26.1)**	**$299.5**	**($97.7)**
NYREDHC Net Increase/(Decrease) [3]	**($12.0)**	**$105.5**	**$85.3**	**($133.9)**	**$12.8**	**($8.7)**

[1]This Statement of Cash Flows follows the format prescribed by §2801 of New York State Public Authorities Law and does not follow Governmental Accounting Standards Board ("GASB") financial statement standards.

[2]Values in certain categories have been rounded.

[3]Reflects NYREDHC standalone net sources and uses, including non-recourse debt financings, NYS Sustainability Funds, federal Investment Tax Credits and NYPA equity contributions and intercompany loans.

c. BUDGET ASSUMPTIONS

NYISO REVENUE AND EXPENSES

Based on scheduled customer power needs and available electricity generated by the Authority's operating assets, the Authority buys and sells energy, capacity, and ancillary services through markets operated by the New York Independent System Operator ("NYISO.") Various NYISO-purchased power charges, in combination with generation-related fuel expenses, comprise a large portion of the Authority's operating expenses. A significant amount of the Authority's revenues result from sales of its generation into the NYISO market after customer obligations are satisfied. The energy, capacity and ancillary services revenues are projected based on published forward prices, exchanges, broker information and/or internal pricing models.

CUSTOMER AND PROJECT REVENUE

The customers served by the Authority and the rates they pay vary by the customer or customer service class and the source of the power and energy used to serve the customer. The Authority's power supply customers are served under contracts and tariffs approved by the Board of Trustees. The Authority serves approximately 1,170 customers.

CLEAN ENERGY STANDARD

In 2016, the NYPSC issued an order establishing a Clean Energy Standard to implement the clean energy goals of the State Energy Plan. Pursuant to the CES, load-serving entities identified in the order are required to purchase Zero Emission Credits ("ZEC(s)") from the New York State Energy Research Development Authority ("NYSERDA") to support the preservation of existing at-risk zero-emissions nuclear generation. The Authority is not subject to NYPSC jurisdiction for purposes of the CES but has assumed an obligation to purchase ZECs consistent with the terms of the CES and intends to seek recovery of such costs from the Authority's customers.

In January 2017, the Authority's trustees authorized (a) participation in the NYPSC's ZEC program and (b) execution of an agreement with NYSERDA to purchase ZECs associated with the Authority's applicable share of energy sales. The Authority and NYSERDA executed an agreement covering a two-year period from April 1, 2017 to March 31, 2019, under which the Authority committed to purchase ZECs in a quantity based on its proportional load in the New York Control Area ("NYCA"). The Authority and NYSERDA executed an additional agreement covering a nine-year period from April 1, 2020 to April 1, 2029, under which the Authority committed to purchase ZECs in a quantity based on its proportional load in the New York Control Area, subject to certain adjustments.

As of September 30, 2026, the Authority estimates that it will incur costs associated with participation in the ZEC program of $42 million in aggregate over the 2027-2030 period, of which approximately $0.13 million is not expected to be recovered under customer contracts that predate the adoption of the CES. As of August 31, 2026, the Authority has paid $553 million in ZEC purchase costs, and as of December 31, 2025, it paid $527 million. The Authority is collaborating with its customers to achieve the renewable energy goals in the ways that best meet their needs. The Authority is exploring opportunities to further support its customers in achieving these renewable energy goals under its Renewables Authority.

ST. LAWRENCE-FDR AND NIAGARA POWER PROJECT CUSTOMERS

Power and energy from the St. Lawrence-FDR and Niagara projects ("the Projects") are sold under contract to municipal electric systems, rural electric cooperatives, commercial and industrial and other business customers, nonprofit corporations, including educational institutions, investor-owned utilities, and out-of-state customers. The rates charged for firm power sold to these customers have been established based upon statutory and contractual terms applicable to each power program.

The Authority's Preference Power rates for firm power, firm peaking power and associated energy sold by the Authority, apply to the 51 municipal electric systems and rural electric cooperatives in New York State, two public transportation agencies, three investor-owned utilities for the benefit of rural and domestic customers, seven out-of-state public customers, seven host community customers and the Tuscarora Nation, resulting in sales at cost. Such sales are in accordance with NYPA's statute calling for rates that enable the resale of hydroelectricity at the "lowest possible price."

On September 23, 2025, the Board of Trustees approved the filing of a Notice of Proposed Rulemaking to increase Preference Power rates. NYPA held public forums in November 2025, where customer groups expressed support for the rate action. After addressing comments during the 60-day public comment period, NYPA made a final recommendation, and the Board of Trustees approved the new rates in December 2025.

The Board of Trustees' action authorized the adoption of a Preference Power rate plan commencing April 1, 2026 ("2026 Rate Plan") which covers a six-year rate period with rates increasing every April 1 from 2026 through 2031. As a result, the 2026 Rate Plan will increase rates from $12.88/MWh to $23.00/MWh over this period. This rate action implemented the first Preference Power rate increase since May 2014 and represents less than a 3% annual increase on total bills for end-use customers each year of the 2026 Rate Plan.

Niagara and St. Lawrence-FDR's Expansion and Replacement Power ("Western New York,") ReCharge NY and Preservation Power customers are allocated more than 35% of the average generation capacity of the Projects. The rates charged for firm power sold to these customers have been established based on contractual

terms and are subject to an annual adjustment factor reflecting movements in economic indices.

Sale of Expansion and Replacement Power historically had been handled on a sale-for-resale basis through National Grid and New York State Electric and Gas. The direct sale of low-cost hydropower to these customers commenced July 1, 2013. As a result, the Authority is now the load-serving entity for these transactions.

Legislation enacted in March 2011, effective July 2012, created a new economic development power program, the RNYPP, to replace two economic development programs, Power for Jobs and Energy Cost Savings Benefit. RNYPP is a permanent power program administered by the Authority and the Economic Development Power Allocation Board.

RNYPP utilizes up to 455 MW of hydropower from the Projects combined with up to 455 MW of market power procured by the Authority from other sources. The 910 MW of power is available for allocations to eligible new and existing businesses and nonprofit corporations under contracts of up to seven years.

Recent amendments to the Power Authority Act repealed a residential discount program created when the RNYPP was enacted, and authorizes the Authority, as deemed feasible and advisable by the Board of Trustees, to provide annual funding in an amount of up to $5 million to continue for a Residential Consumer Discount Program ("RCDP") to support those customers that had previously received an agricultural consumer electricity cost discount program for this hydropower. Revenues earned from the sale of unused RNYPP power into the wholesale market may be used to offset the cost of these residential discounts or revenues from the sale of hydroelectric power will be utilized to fund monthly payments to benefit electricity consumers that once benefited from authority hydroelectric power that was withdrawn pursuant to RNYPP legislation.

In July 2025, the Board of Trustees approved an extension of Alcoa's 240 MW Preservation Power allocation. In addition, the Authority was authorized to schedule and hold a public hearing on the contract. On September 23, 2025, the Board of Trustees approved the final contract and the contract was transmitted to the governor and approved in October 2025.

The term of the new agreement is 10 years from April 1, 2026, to March 31, 2036. Additionally, there will be two potential five-year extensions if Alcoa meets certain capital investment thresholds. The new agreement contains provisions for employment (increasing from 450 to 500 jobs) and capital investments ($30 million minimum). If Alcoa invests $70 million from 2025 to 2035, it will have the option to extend the contract for an additional five years. If Alcoa invests at least $130 million from 2025 to 2040, then it will be provided with the option of extending the contract for the second five-year term. If the contract is extended for the full 20-year term, the total capital investment commitment would be $145 million.

There are other notable provisions in the new agreement. The base energy rate charged to Alcoa will be based on the price of aluminum on the London Metal Exchange, utilizing a linear formula. The Midwest U.S. Premium price will no longer be used in the base energy rate calculation. Additionally, there will not be a ceiling on the base energy rate charged to Alcoa, allowing for unlimited revenue sharing. Further, Alcoa will be responsible for all CES-related charges associated with its allocation.

The Authority estimates that the total costs associated with the relicensing of the St. Lawrence-FDR Power Project in 2003 for a period of 50 years will be approximately $234 million, of which approximately $223 million has already been disbursed. NYPA, as a result of a settlement term with the local communities, has entered into an additional settlement addressing unanticipated issues at the time of the original agreement. This review occurs every 10 years. The first review added approximately $45.1 million to the settlement, of which $42.2 million has been disbursed. The second review was approved by the Board of Trustees in March 2025 and added an additional $20 million. The Authority collects the amounts necessary to fund such relicensing costs through its rates from the sale of St. Lawrence-FDR power.

The Authority relicensed the Niagara Power Project in 2007 for a period of 50 years. The total approximate cost will be $495 million, of which approximately $486 million was disbursed as of December 31, 2025. The Authority collects the amounts necessary to fund such relicensing costs through its rates from the sale of Niagara power.

Total costs could increase due to prescriptive measures required through reserved authority of the Federal Energy Regulatory Commission ("FERC") and other federal agencies in the license for the Projects.



Chapter 545 of the Laws of 2014 enacted the Northern New York Power Proceeds Act ("NNYPPA.") NNYPPA authorizes the Authority, as deemed feasible and advisable by the Board of Trustees, to deposit net earnings from the sale of unallocated St. Lawrence County Economic Development Power ("SLCEDP") by the Authority in the wholesale energy market into an account known as the Northern New York Economic Development Fund ("NNYED Fund") administered by the Authority. The funds are awarded to eligible applicants that propose projects that satisfy applicable criteria. NNYPPA established a five-member allocation board appointed by the governor to review applications seeking NNYED Fund benefits and to make recommendations to the Authority concerning benefits awards.

SLCEDP consists of up to 20 MW of hydropower from the St. Lawrence-FDR Power Project which the Authority has made available for sale to the Town of Massena Electric Department ("MED") for MED to sub-allocate for economic development purposes in accordance with a contract between the parties entered in 2012 (the "Authority-MED Contract.")

NNYPPA defines "net earnings" as the aggregate excess of revenues received by the Authority from the sale of energy associated with SLCEDP sold by the Authority in the wholesale energy market over what revenues would have been received had such energy been sold to MED on a firm basis under the terms of the Authority-MED Contract.

For the first five years after enactment, the amount of SLCEDP the Authority could use to generate net earnings could not exceed the lesser of 20 MW or the amount of SLCEDP that has not been allocated by the Authority pursuant to the Authority-MED contract. Thereafter, the amount of SLCEDP that the Authority could use for such purpose may not exceed the lesser of 10 MW or the amount of SLCEDP that has not been allocated. The Authority's estimates of payments from the Authority to the NNYED Fund have been incorporated into this Proposed 2027 Budget and 2027-2030 Financial Plan.

The Western New York Power Proceeds Act ("WNYPPA,") which was enacted on March 30, 2012, authorizes the Authority to deposit net earnings from the sale of unallocated or allocated but unused Expansion Power and Replacement Power from the Authority's Niagara project into the Western New York Economic Development Fund ("WNYED Fund") as deemed feasible and advisable by the Board of Trustees.

WNYPPA defines "net earnings" as any excess revenue earned from such power sold into the wholesale market over the revenue that would have been received had the power been sold at the Expansion Power and Replacement Power rates. Proceeds from the WNYED Fund may be used to support eligible projects undertaken within a 30-mile radius of the Niagara project that qualify under the applicable criteria. WNYPPA established a five-member allocation board appointed by the governor. The Authority's estimates of payments from the Authority to the WNYED Fund have been incorporated into this Proposed 2027 Budget and 2027-2030 Financial Plan.

LEWISTON PUMP-GENERATING PLANT LIFE EXTENSION AND MODERNIZATION PROGRAM

NYPA's trustees approved a $460 million Life Extension and Modernization Program at the Niagara Power Project's Lewiston Pump-Generating Plant, ("Lewiston LEM Program.") As of June 30, 2026, the Authority has spent approximately $402 million. The work includes a major overhaul of the plant's 12 pump turbine generator units. The Lewiston LEM Program will increase pump and turbine efficiency, operating efficiency, and the peaking capacity of the Niagara project. The Lewiston LEM Program is financed with internal funds and proceeds from debt obligations issued by the Authority. The unit work began in late 2012 and is ongoing, with the final unit expected to be completed in 2028.

NEXT GENERATION NIAGARA

The Next Generation Niagara program replaces, overhauls and/or upgrades 13 generating units and their associated auxiliary power generating equipment. Improvements will include replacing aging equipment with the latest machinery that reflects advanced digital technologies for optimizing the hydroelectric project's performance. The program is comprised of four main projects: Controls Upgrade, Mechanical/Electrical Overhauls, Penstock Platform and 630-ton Gantry Crane Replacement. As of June 30, 2026, the Authority has spent approximately $235 million.

SOUTHEASTERN NEW YORK ("SENY") CUSTOMERS

Various municipalities, school districts and public agencies in New York City are served by the Authority's Eugene W. Zeltmann Power Project, the contracted output of the Astoria Energy II plant ("AEII"), and capacity and energy purchased by the Authority in the NYISO markets.

In 2017 and 2018, the Authority executed new supplemental long-term electricity supply agreements ("Supplemental LTAs") with its 11 New York City ("NYC") Governmental Customers, the largest of these customers include: Metropolitan Transportation Authority, the City of New York, the Port Authority of New York and New Jersey ("Port Authority,") the New York City Housing Authority and

the New York State Office of General Services.

Under these Supplemental LTAs, the NYC Governmental Customers agreed to purchase their electricity from the Authority through December 31, 2027. The Authority and the NYC Governmental Customers may terminate the agreement upon at least 12 months' notice. The contract is expected to continue, but with no guarantee.

Under the Supplemental LTAs, fixed costs were contractually set for each customer. Variable costs, including fuel, purchased power and NYISO-related costs, are to be set on a pro-forma cost of service basis and reconciled to actuals as a pass-through to each customer via an energy charge adjustment.

In 2008, the Authority entered into a long-term power purchase agreement with Astoria Energy II LLC for the purchase of the output of AEII, a 550-MW plant, which commenced commercial operations on July 1, 2011, in Astoria, Queens, for the sole benefit of the NYC Governmental Customers. Although the AEII power purchase contract goes through 2031 and is beyond the electricity supply agreement under the Supplemental LTAs, the Authority's contract with the NYC Governmental Customers served by the output of AEII is coterminous with the power purchase agreement with Astoria Energy II LLC.

The energy generated by the Zeltmann and AEII plants is sold into the NYISO market and the proceeds are used to offset the cost associated with the production of energy and capacity from the plants. All net costs and benefits to the Authority for both facilities are directly passed through to the NYC Governmental Customers. The economic value of the Zeltmann and AEII plants helps to support the NYC Governmental Customers.

Additionally, the Authority retains rights to grandfathered and historic fixed priced transmission congestion contracts on behalf of SENY customers, which helps to hedge against the fluctuating energy purchase power costs.

The Authority's other SENY customers are Westchester County and numerous municipalities, school districts and other public agencies in Westchester County (collectively, the "Westchester Governmental Customers.") NYPA has entered into an evergreen supplemental electricity supply agreement with all 103 Westchester Governmental Customers. Under the agreement, customers can partially terminate service from the Authority with at least two months' notice prior to the start of the NYISO capability periods. Full termination is allowed with at least one year's notice, effective no sooner than January 1 following the one-year notice.

Westchester Governmental Customers are partially served by the Authority's four small hydroelectric plants. The remainder of the Westchester Governmental Customers' load requirements are supplied through energy and capacity purchased from the NYISO markets. Sales of energy generated by the small hydroelectric resources into the NYISO markets, as well as grandfathered and historic fixed price transmission congestion contracts, all help to offset the cost of the energy purchased, with an energy charge adjustment mechanism in place for cost reconciliation.

BLENHEIM-GILBOA POWER PROJECT

The Blenheim-Gilboa Pumped Storage Project operates as a merchant plant, with energy and ancillary services offered in the NYISO markets generally at the market-clearing price. Capacity is offered to other users via bilateral arrangements and/or sold into the NYISO capacity auctions. This forecast assumes Blenheim-Gilboa will operate as a merchant plant for the upcoming years.

SMALL NATURAL GAS POWER PLANTS

To meet capacity deficiencies and ongoing load requirements in the New York City metropolitan area in the year 2001 and later, NYPA placed into operation the SNGPPs, consisting of seven facilities located at six sites in New York City and one site in the service region of the Long Island Power Authority. Three of the sites have a single natural-gas-fueled combustion turbine electric generation units, while four have two units. All SNGPPs are considered merchant assets.

Due to the settlement of litigation relating to one SNGPP site (the "Site,") NYPA has agreed under the settlement agreement to cease operations at the Site, which houses two units, under certain conditions and if the mayor of New York City directs such cessation. No such cessation has occurred. Regarding the Site, the settlement agreement also allows an adjacent landowner to put its real property to NYPA under certain conditions. No formal put notice has been received. Also, regarding the Site, NYPA and an adjacent landowner may enter into buy, sell or other types of agreements outside the terms of the settlement agreement.

On May 3, 2023, Chapter 56 of the Laws of 2023 was enacted as a part of the 2023-2024 Enacted State Budget. The law directed the Authority to publish, within two years of enactment, a plan to deactivate the SNGPPs. The enactment requires the Authority to deactivate the SNGPPs by the end of 2030 subject to the plants not being needed for emergency power and/or power system reliability as determined by NYISO and providing that the Authority may retain plants if emissions for other generation would cause more than a de minimis increase in air emissions.

In May 2025, the Authority published a plan outlining the phaseout of SNGPP production of electricity by December 31, 2030. The plan analyzes air emission and power system reliability challenges as the Authority plans to deactivate as many of its SNGPPs as possible by the end of 2030. The plan concluded that the Authority must conduct additional studies with the NYISO and expert

consultants to determine the impact to air quality in disadvantaged communities across New York State, including in New York City and Long Island, when the SNGPPs are shuttered. Specifically, findings from more in-depth air quality analysis along with input from impacted communities, the NYISO and the Department of Public Service, will equip the Authority to identify which power plants it can deactivate by 2030 or sooner without making air quality worse.

FLYNN POWER PLANT

The Richard M. Flynn Power Plant operates as a merchant plant, with energy output and ancillary services sold into the NYISO market and offered to authorized counterparties. Through an agreement with the Long Island Power Authority ("LIPA,") the Authority is compensated for all capacity provided through December 31, 2026. Subject to approval by the New York Attorney General and the Office of the State Comptroller, the Authority and LIPA have agreed to extend the agreement through April 30, 2031, with an option to further extend through October 31, 2031 upon agreement of both parties.

TRANSMISSION PROJECTS

NYPA, inclusive of Separately Financed Projects ("SFP"), owns approximately 1,565 circuit-miles of high-voltage transmission lines and associated substations operating at voltages of 115 kV, 230 kV, 345 kV and 765 kV. NYPA's Transmission Backbone System consists of a large subset of these transmission facilities, with major circuits such as (but not limited to):

765 KV

- MSU1 (Marcy-Massena)
- MSC-7040 (Massena-Chateauguay)

345 KV

- UE1-7 (Marcy-Edic)
- UNS-18 (Marcy-New Scotland)
- VU19 (Volney-Marcy)
- UCC2-41 (Marcy-Coopers Corners)
- NATL (Niagara-Adirondack Tie Line)
- Y-49 (Long Island Sound Cable)
- Q-35L&M (Queens-Manhattan)
- 351 & 352 (Edic-Princetown): Central East Energy Connect
- HA1 & HA2 (Haverstock-Adirondack): Smart Path & Smart Path Connect
- HW1 & HW2 (Haverstock-Willis): Smart Path Connect
- Y19 (Astoria Annex-Rainey Substation)

230 KV

- MMS-1/MMS-2 (Moses-Massena)
- MH1, MH2, & MH3 (Moses-Haverstock): Smart Path Connect
- WPN1&2 (Willis-Patnode): Smart Path Connect
- WRY1&2 (Willis-Ryan): Smart Path Connect



COST RECOVERY FOR NYPA'S BACKBONE TRANSMISSION SYSTEM

Since the formation of the NYISO in November 1999, cost recovery for the Authority's provision of transmission service over its facilities has been governed by the NYISO tariff, which included an ATRR for NYPA of $165.5 million. The Authority receives cost recovery through the NYISO tariff mechanism known as the NYPA Transmission Adjustment Charge ("NTAC.") NTAC recovers NYPA's Backbone Transmission System costs on a statewide basis, after accounting for the Authority's revenues received from pre-existing customer transmission service contracts, Transmission Service Charge ("TSC") assessed on customers in the Authority's upstate load zone and other sources.

In July 2012, the Authority filed for its first ATRR increase with FERC. The Authority's filing resulted in an uncontested settlement approved by FERC for a new, $175.5 million ATRR applicable to the Authority, effective August 1, 2012. The increased ATRR was necessary to cover increased operating and maintenance expenses of the Authority's bulk transmission system, and to make necessary capital improvements.

In January 2016, the Authority filed for an ATRR formula rate with FERC. In March 2016, FERC accepted the filing and made it effective April 1, 2016, as requested, subject to hearing and settlement judge procedures. The Authority requested a formula rate to more efficiently recover its increased capital and operating expenditures needed to maintain the reliability of its transmission system. The Authority filed an unopposed Offer of Settlement on September 30, 2016, that fully resolved the issues raised by interested parties in settlement negotiations concerning the formula rate.

Effective July 1, 2026, the ATRR is $772.5 million, which also includes the revenue requirements for the Marcy South Series Compensation ("MSSC") and Central East Energy Connect ("CEEC," formerly known as AC Segment A Transmission) transmission projects. Annual updates commensurate with projected costs are assumed to continue throughout the forecast period.

TRANSMISSION LEM PROGRAM

In 2012, the Authority's Trustees approved a $726 million Transmission Life Extension and Modernization Program ("Transmission LEM Program") on the Authority's transmission system.

The Transmission LEM Program aims to extend the life of transmission assets in the Central, Northern and Western regions of New York and will include upgrades, refurbishments and replacements associated with switchyards and substations, transmission line structures or towers and associated hardware and replacement of the submarine cable on the PV-20 line (completed in 2017). Reinvestment in these assets supports the repair, upgrade and/or expansion of the transmission infrastructure. The Transmission LEM Program will be financed with internal funds and proceeds from debt obligations issued by the Authority.

As of June 30, 2026, the Authority has spent approximately $606 million: $547 million in capital and $59 million in non-recurring operations and maintenance investment.

CENTRAL EAST ENERGY CONNECT

On August 1, 2014, the Public Policy Transmission Planning Process administered by the NYISO invited solicitations to address the AC Transmission Public Policy need for new transmission lines to relieve the congested Central East and upstate New York/SENY transmission interfaces. In June 2018, the Authority and North America Transmission ("NAT") entered into a Participation Agreement which granted the Authority the option to secure an ownership interest of up to 37.5% in the projects that they jointly proposed.

In April 2019, the NYISO board selected the project proposed by LS Power Grid New York, LLC ("LS Power," formerly known as NAT) to increase transfer capability from Central to Eastern New York. The project, known as CEEC, proposed by NYPA and LS Power included the construction of more than 90 circuit-miles of 345 kV and 115 kV transmission lines, two substations and several modifications to existing substations along the impacted corridor.

The Authority originally funded 33% of the CEEC development costs and exercised its 37.5% purchase option in July 2021, bringing the Authority's total authorized project costs to $280.9 million.

FERC authorized the Authority's recovery of a facility charge for CEEC project costs, adopted per a NYISO filling made on behalf of the Authority. The Authority is recovering its costs associated with the project through its FERC-approved cost recovery mechanisms in its ATRR formula rate, which include an incentive rate of return applied to the Authority's "Construction Work in Progress" balances for the project.

CEEC was placed in service in December 2023; however, the remaining work performed by National Grid continues. As of June 30, 2026, the total assets for CEEC placed in service is $245 million.

MOSES-ADIRONDACK SMART PATH RELIABILITY PROJECT

The Authority has completed the replacement of the Moses-Adirondack transmission line, one of the Authority's Backbone Transmission System lines. This project, known as the Moses-Adirondack Smart Path Reliability Project ("Smart Path,") includes the replacement of 78 miles of 230-kV transmission lines from Massena to the Town of Croghan in Lewis County. The project replaced obsolete wood pole structures with higher, steel pole structures, and included the installation of conductor and associated hardware. The lines are operated at 345-kV, following the energization of the Smart Path Connect Project.

In July 2017, the Authority received authorization under the NYISO tariff to include the costs of this replacement project in its NTAC mechanism for cost recovery.

Construction commenced in 2020 and the last segment of Smart Path was completed and placed in service in May 2023. As of June 30, 2026 the total assets for Smart Path placed in service is $482 million. The Authority estimates a total project cost of $484 million.

SMART PATH CONNECT

In October 2020, the NYPSC adopted criteria for identifying urgently needed transmission projects to meet the renewable energy goals of the CLCPA. The Authority identified the multi-pronged Smart Path Connect as work urgently needed to help unbottle existing renewable energy in the region. The project is estimated to result in a reduction of approximately 1 million tons of carbon dioxide emissions annually on a statewide basis, and an annual reduction of approximately 160 tons of nitrogen oxide emissions from downstate emissions sources. The Authority estimates that this project will result in approximately $440 million in annual congestion savings throughout New York State and it was estimated to create hundreds of jobs in the North Country during construction.

In October 2020, the NYPSC identified the Authority's proposed Smart Path Connect (formerly known as the Northern New York Project) as a high-priority project and referred it to the Authority for development and construction in accordance with the Accelerated Renewable Energy Growth and Community Benefit Act.

Smart Path Connect was executed by the Authority and National Grid. The project included completion of the remaining 6 miles of the Moses-Adirondack Transmission Lines, rebuilding approximately 45 circuit-miles of transmission eastward from Massena to the Town of Clinton, rebuilding approximately 55 circuit-miles of transmission southward from Croghan to Marcy, and rebuilding and expanding several substations along the impacted transmission corridor.

All new assets were energized between fall 2025 and spring 2026. Remaining construction work, including punch list activities and site restoration is ongoing with expected completion in 2027. The Authority has placed $947 million of assets in service as of June 30, 2026.

PROPEL NY ENERGY

In response to the NYISO's August 2021 Long Island Offshore Wind Export Public Policy Transmission Need competitive project solicitation, the Authority and NY Transco jointly proposed Propel NY Energy ("Propel NY,") a suite of seven transmission solutions, addressing the Long Island offshore wind export needs. On June 13, 2023, the NYISO Board of Directors selected one of the Propel NY Energy transmission solutions as the most efficient and cost-effective transmission solution.

The project includes the construction of approximately 90 miles of underground 345 kV and 138 kV Alternating Current ("AC") transmission lines, including three 345 kV AC transmission tie lines out of Long Island, construction of several substations and the modification of several existing substations.

Propel NY Energy will benefit consumers by expanding access to diverse, cost-effective generation resources, increasing transfer capacity to and from Long Island, and enhancing overall system reliability. It will also improve the system's flexibility and resilience across a wide range of operating conditions.

The federal One Big Beautiful Bill Act ("OBBBA,") enacted in July 2025, rescinded all unobligated balances of several IRA programs, including the Transmission Siting and Economic Development Grants Program, under which the Authority had been awarded a $44 million grant by the U.S. Department of Energy to conduct community benefit projects for communities impacted by the Propel NY transmission line. The Authority does not anticipate receiving these funds and has not commenced the work associated with this grant award.

Pursuant to terms of an agreement with NYPA's codeveloper, NYPA's initial investment in the project is $500 million, with several options to increase that investment up to 30% of the total project costs, subject to Board of Trustees approval.

The targeted in-service date for Propel NY is mid-2030.

UNIONDALE HUB SUBSTATION UPGRADE

The Authority, as incumbent transmission owner, has exercised its right of first refusal to perform the identified Designated Public Policy Project to upgrade the Uniondale Hub substation in Nassau County. The Uniondale Hub upgrade will allow for the intertie of three new lines proposed by Propel NY to the 345 kV system at an expanded substation featuring a new electrical bus arrangement, voltage control equipment and protection systems.

The total estimated cost for the Uniondale Hub upgrade is approximately $341 million, which will be recovered through the Authority's ATRR.

Construction is scheduled to commence in fall 2026 to meet the targeted in-service date of 2029.

TRANSMISSION 2035 PROGRAM

The Transmission 2035 Program is a strategic initiative to establish the Authority's unified statewide transmission organization capable of operating, maintaining, and expanding the Authority's growing transmission system. The program modernizes the operating model, workforce, facilities, technology platforms, and grid control capabilities needed to support a significantly larger and more complex transmission portfolio. Through these investments, Transmission 2035 will strengthen system reliability and resiliency, enhance operational performance and asset stewardship, improve workforce capabilities, and create a scalable organizational foundation for future system growth. The initiative is critical to enabling the integration of renewable energy resources, supporting electrification goals, and advancing New York State's transition to a clean energy economy while continuing to ensure the safe and reliable delivery of power across the state.

MARCY STATCOM POWERBOOST REPLACEMENT PROJECT

The Marcy STATCOM PowerBoost Replacement Project replaces the aging Marcy STATCOM with a modern system that restores critical voltage support and strengthens transmission system performance at one of New York's most important transmission interfaces, at NYPA's Clark Energy Center switchyard. The project modernizes a key grid asset, improving voltage stability, increasing transfer capability, and reducing reliability and equipment failure risks. By enhancing reactive power support in Central New York, the project is expected to increase regional transfer capability, helping to reduce transmission congestion, lower overall system costs, and provide affordability benefits for customers. In addition to addressing near-term reliability needs, the investment establishes a platform for future grid modernization efforts, including the integration of advanced grid-forming technologies, energy storage resources, and the growing levels of renewable generation required to support New York State's clean energy economy objectives.

HUDSON TRANSMISSION PROJECT

In 2011 the Authority's Trustees authorized the Authority to enter into a 20-year Firm Transmission Capacity Agreement ("FTCPA") with Hudson Transmission Partners, LLC ("HTP") for the purchase of transmission capability on a newly constructed line between New Jersey and New York City to meet the long-term energy requirements of the city and to improve its transmission infrastructure. The Authority's payment obligations under the FTCPA include capacity payments, interconnection and transmission upgrades, and Regional Transmission Expansion Plan ("RTEP")/Transmission Enhancement Charges ("TECs,") allocated to HTP in accordance with the PJM tariff. The RTEP/TECs imposed upon HTP, which are still subject to legal challenge, are discussed in more detail below.

Regarding the RTEP/TECs charges, the Authority avoided such assessments starting in 2018 due to HTP's relinquishment of its Firm Transmission Withdrawal Rights ("FTWRs") on the PJM system. For RTEP/TECs assessed prior to 2018, the Authority and HTP and other New York parties contested the FERC-approved PJM RTEP/TEC allocations as unjust and unreasonable before the D.C. Circuit Court of Appeals.

On August 9, 2022, the court agreed that PJM's RTEP/TEC cost allocation methodology was unduly discriminatory and departed from cost causation principles. The court remanded the case to FERC for further action. On March 6, 2026, FERC issued its remand order directing PJM to recalculate the challenged RTEP/TEC allocations using a replacement rate effective June 2015 that eliminates the flaws identified in the 2022 court opinion and provide refunds.

Second, FERC directed further procedures to determine whether the PJM's cost allocation methodology can be used at all to allocate the costs of RTEP facilities whose purpose is to address "short circuit" issues. The Authority can expect refunds from FERC's order for PJM to recalculate RTEP/TEC allocations effective June 2015.

FERC's ultimate determination on the use of PJM's methodology for facilities that address short circuit issues could result in additional refunds or additional charges, but the dollar impacts would be small in comparison to the refunds discussed above. FERC's order on remand is subject to challenge.

In 2020, FERC determined that a portion of the RTEP/TECs assignable to the HTP facility dating back to 2018 had to be reinstated because they were unrelated to whether HTP had retained FTWRs. These reinstated RTEP/TECs were for project costs allocated under a methodology different from the one addressed in the 2022 D.C. Circuit Court opinion discussed above. FERC authorized PJM to begin collection for the back periods starting in August 2020. The Authority is accruing approximately $1 million per month, RTEP/TECs, through the term of the agreement which ends in 2033.

The Authority contested the 2020 FERC order and appealed it to the D.C. Circuit Court of Appeals. However, the Authority's appeal was rejected by the D.C. Circuit on July 26, 2024, and the Authority determined it would not be successful on rehearing or further appeal; therefore, these RTEP/TEC allocations remain in place.

Historically, revenues derived from the monetization of the Authority's capacity rights under the FTCPA have not been sufficient to fully cover the Authority's costs under the FTCPA. The Authority estimates that costs for the Line under the FTCPA, including estimated RTEP charges, will be approximately $103 million per year over the period from 2027-2030. The annual cost of the line is anticipated to be partially offset by revenues received under a Transmission Capacity Resale Agreement entered into in July 2026 as more fully described below.

In 2024, the Authority initiated a Request for Proposals process, seeking submittals that provide the Authority opportunities to enhance the operational, financial and market dynamics of the HTP cable, including providing clean energy to New York City. Following a review of submittals and a period of negotiation with the selected bidder, in July 2026, the Authority executed a Transmission Capacity Resale Agreement ("TCRA") with the selected bidder for a term of up to seven years through June 3, 2033. The TCRA provides NYPA with a base monthly capacity payment, subject to adjustment based on the availability of the line, as well as the potential for additional revenues based on financial results and expansion of opportunities for emissions free product sales.

POWER PURCHASE AGREEMENTS

The Authority executed nine Power Purchase Agreements ("PPAs") for solar photovoltaic ("PV") projects with Ameresco, Inc. on June 28, 2023, and an additional six PPAs for solar PV projects with Ameresco, Inc on July 7, 2023, requiring the Authority to pay Ameresco, Inc. for electricity received from the 60 renewable facilities to be constructed under those PPAs and recover the payments from the City of New York, acting through its Department of Citywide Administrative Services ("DCAS") via a power sales contract (the "PSC.") The Authority also executed four PPAs with Ameresco, Inc. for battery energy storage systems ("BESS") in 2024, requiring the Authority to pay Ameresco, Inc. for electricity received from the renewable facilities and recover the payments from the purchaser via the PSC.

In the case of non-payment from DCAS, there is a cure period of one year, in which the Authority would cover the payments to Ameresco, Inc. If there is no cure, Ameresco, Inc. has no claim to the Authority so long as the Authority or Ameresco, Inc. is pursuing recovery from DCAS under the terms of the PSC. The total value of the PPAs with

Ameresco, Inc. is $320 million over 20 years, the annualized amount being $16 million.

The Authority also entered into a PPA for solar PV and BESS with Siemens Industry Inc. on December 23, 2020, requiring the Authority to pay Siemens Industry Inc. for electricity and services received from the renewable facilities constructed at the Jacob K. Javits Convention Center, and recover the payments from the New York Convention Center Operating Corporation ("NYCCOC") via a PSC. The annualized amount for the PPA entered on behalf of NYCCOC is $2.7 million over 25 years. The NYCCOC PPA has entered commercial operation and is producing energy through which the Authority is paying for and recovering for that energy under that PPA and PSC respectively.

Additionally, the Authority executed a PPA for solar PV and BESS with Solar Star Big Apple BTM, LLC, a wholly owned subsidiary of SunPower Corporation, on May 7, 2021, requiring the Authority to pay Solar Star Big Apple BTM, LLC for the electricity received from the renewable facilities to be constructed at the John F. Kennedy International Airport and recover payments from the Port Authority of New York and New Jersey ("PANYNJ") via a PSC. The annualized amount for the PPA entered on behalf of PANYNJ is $1 million over 25 years. The total value of these PPAs is approximately $100 million over 25 years.

All projects are in the design or construction phase and the Authority is not paying for or recovering for energy under the PPAs. When each of the projects reaches commercial operation, they are expected to be cost-neutral to the Authority.

In 2008, the Authority entered into a long-term power supply contract with Astoria Energy II LLC for the purchase of all the output of AEII, a 550-MW plant, which entered commercial operation on July 1, 2011, in Astoria, Queens. The delivery period under the contract is through 2031. At the same time, the Authority entered a separate contract with its NYC Governmental Customers, which is coterminous with the PPA with Astoria Energy II LLC, to sell the output of AEII. All net costs of the Authority under the PPA with Astoria Energy II LLC are billed monthly to the NYC Governmental Customers. An equal amount of revenue is recognized during the period related to reimbursements from the NYC Governmental Customers.

In July 2025, the Authority entered into a take-and-pay Power Supply Contract with New York Energy Finance Development Corporation ("NYEFDC"), which issued $944 million in Energy Supply Revenue Bonds to prepay for 30 years of electricity with the Authority as the sole offtaker. Any debt or liability incurred by NYEFDC on behalf of the Authority to prepay for energy is not a debt or liability of the Authority.

Under the PSC, NYEFDC will sell and deliver to the Authority, and the Authority will purchase, specified quantities of market-based energy, less a specified discount. The initial energy delivery period (during which the Authority is committed to purchase approximately 876,000 MWh of electricity each year) began in January 2026 and will end in October 2033. This agreement does not qualify as a lease and the agreement does not have minimum payment terms. The Authority will only pay for energy when delivered and the PSC represents an offset to the Authority's existing market-based power purchases.

PURCHASED POWER EXPENSES

Energy, capacity, and ancillary service purchases made on behalf of customers (except for those made through previously approved power purchase agreements) are assumed to be transacted at the market-clearing price in the wholesale market. For purposes of developing this Four-Year Financial Plan, projected energy rates are based on published forward price curves, while capacity rates are based on internally developed capacity curves using external pricing sources, such as broker quotes and trading platforms.

FUEL EXPENSES

Fossil-fuel purchases in this Four-Year Financial Plan are based on expected net generation levels determined by an economic dispatch model for the Authority's plants and on available forward fuel price curves. Fuel expenses also include the costs associated with fuel transportation and emission credit requirements under the Regional Greenhouse Gas Initiative ("RGGI.") RGGI requires the Authority to buy emissions credits for its fossil fuel plants, and the Authority also purchases such credits for the contracted AEII plant. The projections for RGGI costs are based on projected emission rates and forecasted consumption of natural gas and oil, with such costs recovered either through specific customer contract pass-through provisions or from the wholesale market.

TRANSPORTATION AND DELIVERY EXPENSES

Transportation and Delivery (i.e., the transmission and/or delivery of power and energy to customers over the lines of a third party) expenses are based on contractual and/or tariff rates of the service provider and are recovered through customer rates or pass-through provisions in customer contracts.

CLEAN ENERGY SOLUTIONS

The Authority, through its Clean Energy Solutions programs, provides customers with wide-ranging on-site energy solutions, including energy data analytics, planning, development, implementation and operation of capital projects such as energy efficiency, distributed generation, advanced technologies and renewables.

The Authority was also responsible for implementation of the governor's Executive Order ("EO") No. 88 (2012) (to improve energy efficiency at State-owned and managed buildings), and is responsible for the Five Cities Energy

Efficiency Implementation Plans (for the cities of Albany, Buffalo, Rochester, Syracuse and Yonkers) to reduce overall energy costs and consumption, strengthen the reliability of energy infrastructure, create jobs in local clean energy industries and contribute to a cleaner environment), and the K-Solar program (to reduce energy costs of certain schools through the use of solar power).

EO No. 88 was revoked and superseded by EO No. 22, issued by Governor Hochul on September 20, 2022, which among other things requires State entities, including the Authority, to adopt a sustainability and decarbonization program. The Authority is a member of the Green NY Council created by EO No. 22 that helps to implement EO No. 22.

The 2022-2023 Enacted State Budget, Section 59 of Part FFF of Chapter 56 of the Laws of 2022, authorizes the Dormitory Authority of the State of New York, the New York State Urban Development Corporation and the New York State Thruway Authority to issue bonds in one or more series under either Article 5-C or Article 5-F of the State Finance Law for the purpose of refunding obligations of the Authority to fund energy efficiency projects at State agencies, including the State University of New York, the City University of New York, the New York State Office of General Services, the New York State Office of Mental Health, the State Education Department, and the New York State Department of Agriculture and Markets.

The aggregate principal amount of bonds authorized to be issued may not exceed $475 million. Such bonds will not be a debt of the State, and the State shall not be liable thereon, nor shall they be payable out of any funds other than those appropriated by the State under Article 5-C or Article 5-F of the State Finance Law, as applicable. As of June 30, 2026, the State has reimbursed the Authority an aggregate amount of $205 million with an agreed remaining list of $270 million of approved projects that will continue to be reimbursed as costs are incurred.

The Authority implements energy services programs primarily aimed at two groups of entities: its SENY Governmental Customers and various other public entities throughout the state. The Authority is also authorized to provide and finance energy services to eligible business customers; provide energy services to public and non-public elementary and secondary schools and specified military establishments in the state; and supply certain market power and energy and renewable energy products to any Authority customer, public entity or community choice aggregation (“CCA”) community in the state.

Over the period from 2027-2030, the Authority has designated approximately $1.7 billion for expenditures on Clean Energy Solutions. Except for certain limited costs, the Authority expects to recover its expenditures on these programs, including its financing costs, over periods not exceeding 10 years. Except as described below, such expenditures are generally recovered from the benefitting customer or entity.

In addition, the Authority implements other energy services programs financed by other sources, such as the State and the City. The Authority’s energy services programs generally provide funding for, among other things, high-efficiency lighting technology conversions, high-efficiency heating, ventilating and air conditioning systems and controls, boiler conversions, replacement of inefficient refrigerators with energy-efficient units in public housing projects, electric vehicles and charging stations, distributed generation technologies and clean energy technologies, and installation of non-electric energy-saving measures.

Participants in these programs include departments, agencies or other instrumentalities of the State, the Authority’s SENY Governmental Customers, certain public authorities, public school districts or boards and community colleges located throughout the state, county and municipal entities with facilities located throughout the state, certain not-for-profit entities, and the Authority’s municipal and rural electric cooperative customers.

The Authority is authorized to provide and finance energy services, including through the issuance of bonds for that purpose, and also may provide energy services to virtually all of its commercial and industrial customers and to independent not-for-profit institutions of higher education in the state. The Authority is also authorized to provide energy services to public and non-public elementary and secondary schools and specified military establishments in the state and to finance and administer programs to replace inefficient refrigerators with energy-efficient units in certain public and private multiple dwelling buildings.

ELECTRIC VEHICLE ACCELERATION INITIATIVE

As of June 30, 2026, approximately $108.6 million of an authorized $152 million has been spent for EVolve NY, an electric vehicle acceleration initiative with 330 fast chargers in service across 73 locations. The Authority will own and operate a charging network of 400 direct current



fast chargers across the state, the first of which became operational in September 2020.

GRANTS

NYPA and the Canal Corporation continue to pursue federal and state grant funds to offset the cost of approved capital projects and programs that align with the Authority's core mission, VISION2030 Renewed and CLCPA.

Since 2023, NYPA and the Canal Corporation have recovered $16.5 million in FEMA disaster recovery funding related to four extreme weather events and the COVID-19 pandemic. The Canal Corporation has also secured $4.2 million in Hazard Mitigation Grant Program funding aimed at studies and projects to enhance resiliency for future storms. Other grant programs, most notably the National Electric Vehicle Infrastructure Formula Program—which provides funding up to $16 million for electric vehicle charging stations statewide—continue to leverage federal funding to offset the cost of projects throughout the state.

Previously awarded federal grants totaling $52 million from the Department of Energy have restarted contract discussions: $44 million from the Transmission Siting and Economic Development program for the Propel NY Energy Sustainable Communities Initiative and three grants totaling $8 million under the Maintaining and Enhancing Hydroelectricity Incentives program for projects at St. Lawrence, Vischer Ferry and Crescent hydropower plants. NYPA was recently awarded a grant of up to $50 million under the Speed to Power through Accelerated Reconductoring and other Key Advanced Transmission Technology Upgrades (“SPARK”) program for the Marcy Statcom PowerBoost project. NYPA and the Canal Corporation continuously monitor the legislative and regulatory landscape to identify opportunities for external funding.

INFLATION REDUCTION ACT

On August 16, 2022, the Inflation Reduction Act of 2022 (“IRA”) was signed into law; it aims to reduce carbon emissions and promote economic development through investments in clean and renewable energy projects. The clean energy tax credits created or expanded by the IRA are intended to drive rapid adoption of energy efficiency, electric transportation and solar energy.

The Authority has undertaken initiatives to take advantage of clean energy tax credits by investing in clean energy such as battery storage and solar, transitioning our fleet to electric vehicles (“EV”) and placement of EV infrastructure in non-urban, low-income areas. The Authority expects to monetize IRA tax credits via a direct pay option that allows tax-exempted entities to receive cash payments equal to the tax credits. The Internal Revenue Service requires prefiling registration of the projects on which the entity expects to claim tax credits in its tax return.

The Authority has completed its prefiling registration for all eligible projects placed in service in 2024 and filed a tax return in November 2025. However, there is no certainty or predictability regarding the recovery of this tax credit amount due to actions beyond the control of the Authority, such as changes in legislation.

The OBBBA signed into law on July 4, 2025, introduced significant changes to federal energy tax credits, particularly for solar projects, charging station and electric vehicles as applicable to the Authority. Solar projects placed in service after December 31, 2027, will not qualify unless construction started before July 4, 2026, with completion required by the end of 2030. The Qualified Commercial Clean Vehicle Credit ended for acquisitions after September 30, 2025, and the Alternative Fuel Vehicle Refueling Property Credit was ended for facilities placed in service after June 30, 2026. Full Investment Tax Credit or Production Tax Credit for battery, hydropower and nuclear facilities will be extended for projects beginning construction before 2033, with a phased reduction starting in 2034 and ending in 2035.

The Authority is evaluating applicability of the rules to maximize the receipt of tax credits, as applicable, to current and future projects.

ECONOMIC OUTLOOK AND VIEW ON ENERGY MARKETS

The near-term economic outlook in New York State and the United States as a whole remains robust, but the risk of a slowdown is rising.

In response to persistently elevated inflation, at its September 2026 meeting, the Federal Reserve raised the federal funds rate by 25 basis points and signaled the potential for additional increases at its October and December meetings.

According to the 2027 NYS Executive Budget and Economic and Revenue Outlook, the New York State Consumer Price Index is expected to rise over the next three years at a pace that exceeds the national average, while wage growth is projected to remain above it.

Although the labor market remains healthy and unemployment remains low, labor force participation has continued to slip and job growth has been concentrated in a few sectors.

Economic growth is increasingly driven by business investment, particularly in manufacturing and data centers for artificial intelligence, rather than consumer spending. As demand for data centers continue to grow, New York State will follow the governor’s pause on hyperscale data centers for one year.

In addition to the future course of interest rates, a number of other factors could affect economic growth, particularly the ongoing conflict with Iran and its impact on oil prices. On the positive side, continued investment in domestic manufacturing and growth in data centers to support

deployment of artificial intelligence ("AI") may buoy economic activity and result in gains to productivity.

State energy prices continue to rise, with year-to-date power costs across New York zones being 12 to 30 percent higher than last year. Weather-driven volatility has played a significant role, including a late-January 2026 cold snap that pushed gas prices from their average $3 to $4 per MMBtu into the hundreds for an extended period. This severe spike led to consecutive days of $1,000/MWh day-ahead power prices.

During the July 1-4 heat wave, temperatures in New York City climbed above 100 degrees, driving summer 2026 peak load on July 2 to 31,097 MW—close to the NYISO's all-time summer peak of 33,956 MW set in 2013. Zone J real-time on-peak prices averaged $450.37/MWh on July 1 and reached a summer high of $474.84/MWh.

According to the NYISO, the July heat wave caused elevated real-time prices tied to reserve shortages and congestion-driven scarcity conditions. These market and operational stresses underscore a broader systemic challenge. New York State's electric grid is confronting rapid growth in large, energy-intensive loads at the same time that new dispatchable resources are increasingly difficult to develop and older generation units continue to retire. Rising future demands from data centers, advanced manufacturing, other large customers, and consumer and vehicle electrification, combined with reduced in-state supply and growing uncertainty around assistance from neighboring regions, are creating a widening gap between available resources and future peak needs. The NYISO is seeking new generation and transmission resolutions to address potential deficiencies.

Market-based ancillary services – reserve and regulation - pricing has risen compared to last year, mirroring the broader price increases in overall power market. Reserve pricing increased an average of 30% year over year and Regulation pricing is up 75%. Supply margins remain tight in the Northeast, as there were insufficient new builds of dispatchable resources to replace recent power plant retirements. Compounding the problem is the continued trend of low net imports of electricity to New York State, which limits the pool of resources available for ancillary services.

Although overall supply remains sufficient to meet NYISO requirements, ancillary prices are highly volatile during periods of extreme weather, when reserve margins narrow. Large generator outages can further amplify these effects and disrupt market conditions. Looking ahead, as intermittent generation resources are still expected to gain market share, system flexibility requirements are likely to grow as well.

Capacity prices have been mixed for the year. Prices in New York City and the New York Control Area ("NYCA") were above last year's levels in the early summer 2026 before ultimately dropping below last year's levels again from July forward due to the entrance of the Champlain Hudson Power Express ("CHPE") transmission project into the market. Prior to CHPE's activation, New York City's resource adequacy was nearing deficiency levels, meaning that prices reached record levels for New York City and NYCA as supply became more valuable. This is despite keeping some fossil plants active despite planned retirements related to the New York State Department of Environmental Conservation ("NYSDEC") nitrogen oxides ("Nox") peaker rule. After CHPE began participating in the capacity market in July, prices dropped off back to levels slightly below 2025 prices.

Over the four-year horizon, capacity prices are expected to slightly increase compared to last year's budget. This is due to immediate resource adequacy concerns being reduced with CHPE actively in the market. The NYISO capacity market is also undergoing some major overhauls that will take effect starting in May 2027, but the impact of those changes on the market is minimal so far.

RGGI participating states have been implementing the changes from their Third Program Review. The updates to RGGI's design demonstrate the participating states' commitments to the environment and energy affordability by setting a more rapidly declining cap trajectory but also increasing the size of the Cost Containment Reserve ("CCR") and adding a second CCR that would make more allowances available at a price 50% higher than the first CCR.

RGGI allowance prices on the secondary market briefly spiked in April 2026, after it was announced that Virginia would join RGGI in the middle of 2026 rather than at the end of the year. In response, the states participating in RGGI issued a statement that, "a sustained period of elevated auction prices…may require renewed consideration of improvements," and later made more than 5.7 million additional set-aside allowances available for auctions in 2026. The announcement and additional supply calmed the RGGI market, but prices have remained elevated. The past two RGGI auctions cleared at prices that are more than 30% higher than the previous record high from December 2025. Next year will see the first auctions with two tranches of CCRs, but with RGGI prices remaining above both CCR trigger prices since April, the higher priced CCR looks likely to act as a price floor for the foreseeable future.

The information and projections contained under this section are included solely for informational purposes. NYPA has prepared this information based on information available to it, including information derived from public sources that NYPA believes are reliable but have not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions expressed therein. Although NYPA believes the market data and other information is reliable, it is not warranted as to

completeness or accuracy, is subject to change without notice and NYPA accepts no responsibility to update such information after its date.

INVESTMENT INCOME

The Authority's investment of funds continues to be administered under the Bond Resolution and in accordance with the Authority's Guidelines for the Investment for Funds, which comply with the New York State Comptroller's investment guidelines for public authorities and are adopted pursuant to Section 205 of the New York Public Authorities Law.

Permitted investments include: (a) collateralized certificates of deposit, time deposits, Federal Deposit Insurance Corporation-insured products (including Certificate of Deposit Account Registry Service or similar) and money market funds, (b) direct obligations of or obligations guaranteed by the United States of America or the State of New York, (c) obligations issued or guaranteed by certain specified federal agencies and or instrumentalities of the United States government, (d) obligations of any state or any political subdivision thereof, or related agencies/ instrumentalities/local government units, rated in any of the three highest long-term rating categories, or the highest short-term rating category, by nationally recognized rating agencies, (e) repurchase and reverse repurchase agreements ("Repurchase Agreements,") including "gestation" repurchase agreements using treasury or agency-backed collateral with a physical trust certificate from a Federal Industry Regulatory Authority licensed broker dealer, and (f) Guaranteed Investment Contracts ("GICs") or GIC funds issued by creditworthy insurance companies, collateralized by issuer's general or separate account assets, with no more than $50 million invested in any one contract or fund.

Under the Transmission Bond Resolution and NYREDHC, the permitted investments are mirrored as above. Under the Captive Insurance Investment Policy Statement, investments options are similar to those types stated for the Authority with the additional permitted classes including collateralized loan obligations rated AA or higher; domestic equity (common and preferred,) publicly traded Real Estate Investment Trust funds; and mortgage-backed securities and collateralized mortgage obligations with a rating of AA or higher.

Investments are reported at fair value, using quoted market prices or other observable inputs where available in the consolidated statements of net position.

INTEREST RATES

The federal funds target started 2026 at 3.50% to 3.75%, the level set by the Federal Reserve Board's (the "Fed") December 2025 cut. It stayed there for the first eight months of 2026. As the Middle East conflict pushed energy prices sharply higher and inflation stayed above target, the Federal Open Market Committee ("FOMC") moved from an easing bias toward tightening. By August, headline Consumer Price Index ("CPI") was running at 3.4% year over year, driven largely by a 16.3% annual increase in energy prices.

On September 16, the FOMC voted 12-0 to raise the target range by 25 basis points to 3.75% to 4%. It was the first increase since 2023. Long-term rates rose ahead of the decision. On September 14, the 10-year Treasury crossed 5% for the first time since 2023, driven by inflation concerns and heavy government and corporate borrowing. Yields kept climbing, and the 10-year moved above 5.34% at the end of September, its highest level since 2002, before easing to about 5.26% as of October 5.

The Conference Board expects two more 25 basis points increases in October and December, which would bring the target range to 4.25% to 4.5% by year-end 2026. It expects the Fed to hold that range through 2027 as core Personal Consumption Expenditures ("PCE") inflation eases from 3.3% in 2026 to 2.8% in 2027 and Brent oil prices retreat from about $90 to $60 per barrel. Beyond 2027, the Fed's September projections show the fed funds rate declining to 3.9% in 2028 and 3.6% in 2029, moving toward its longer-run estimate of 3.2%. The pace of easing will depend on how quickly energy-driven inflation recedes and on the course of the Middle East conflict.

Bloomberg U.S. Treasury Yield Consensus Forecast (%)					
	Fed Funds Rate - Upper Bound	Fed Funds Rate - Lower Bound	U.S. 10-Year	U.S. 30-Year	U.S. 3-Month Term Secured Overnight Financing Rate
Q4 26	4.25	3.98	4.85	5.26	4.11
Q1 27	4.27	4.01	4.79	5.21	4.14
Q2 27	4.23	3.97	4.72	5.16	4.11
Q3 27	4.15	3.88	4.66	5.09	4.04
Q4 27	4.08	3.80	4.60	5.04	3.98
Q1 28	3.85	3.57	4.53	4.98	3.83
Q2 28	3.75	3.47	4.48	4.94	3.75
Q3 28	3.66	3.40	4.40	4.89	3.67
Q4 28	3.61	3.36	4.36	4.88	3.62
Q1 29	3.50	3.25	4.40	4.90	3.60

Source: Bloomberg weighted average treasury and benchmark yield forecast survey results (BYFC) as of October 7, 2026. Survey reflects averages of results from 21-54 surveyed firms.

Bloomberg Muni AAA Forward Yield Curve (%)					
Tenor	SPOT Q4 26	Q4 27	Q4 28	Q4 29	Q4 30
1 Yr	3.40	3.49	3.61	3.81	3.92
5 Yr	3.64	3.77	3.95	4.17	4.37
10 Yr	4.09	4.31	4.53	4.80	5.02
15 Yr	4.60	4.80	4.99	5.18	5.41
20 Yr	4.95	5.14	5.35	5.52	5.73
30 Yr	5.31	5.46	5.61	5.77	5.92
50 Yr	5.52	5.65	5.78	5.92	6.06

Source: Bloomberg Muni AAA Forward Yield Curve as of October 7, 2026.



OPERATIONS AND MAINTENANCE EXPENSES

Operations and Maintenance Forecast by Cost Element[1]

(In $ Millions)

	2027	2028	2029	2030
Payroll				
Regular Pay	$373.3	$388.2	$403.9	$420.2
Overtime	16.9	17.7	18.4	19.2
Other Payroll	9.8	10.0	10.2	10.4
Total Payroll	**400.0**	**415.8**	**432.4**	**449.7**
Other Operations and Maintenance				
Benefits	182.2	194.8	203.3	212.2
Materials/Supplies	42.1	43.6	45.3	47.0
Fees	14.5	15.2	15.8	16.5
Office and Stationery	42.6	44.4	46.2	48.1
Maintenance Repair, Service Contracts and Consultants	314.5	318.5	322.4	333.2
Total Other	**596.0**	**616.5**	**633.0**	**657.0**
Charges to				
Outside Agencies	(0.3)	(0.3)	(0.4)	(0.4)
Capital Programs	(83.2)	(86.7)	(90.2)	(93.9)
Total Charges	**(83.6)**	**(87.0)**	**(90.6)**	**(94.3)**
NYPA/CANALS/SFP Operations and Maintenance	**$912.4**	**$945.3**	**$974.8**	**$1,012.4**
NYREDHC Operations and Maintenance	**$12.1**	**$17.4**	**$27.6**	**$33.3**

[1]*Values in certain categories have been rounded.*

DEPRECIATION AND AMORTIZATION EXPENSES

The provisions for depreciation for utility plants result from the application of straight-line rates determined by age life studies of assets in service. The rates are applied to groups of depreciable capital assets. The related depreciation provisions on June 30, 2026, and December 31, 2025, expressed as a percentage of average depreciable capital assets on an annual basis are:

	Average Depreciation Rate	
Type of Plant	**2026**	**2025**
Production		
Hydro	2.5%	2.3%
Gas turbine/combined cycle	2.5	2.3
Transmission	2.3	2.3
General	6.1	5.6
Energy Storage	10.0	10.0
Canal System	4.3	4.0

OTHER EXPENSES

The Other Expenses category largely reflects various accruals and other miscellaneous expenses (e.g., payments to the NNYED and WNYED funds,) some of which require Board of Trustees authorization on a case-by-case basis.

CANAL CORPORATION

Effective January 1, 2017, the Canal Corporation became a subsidiary of NYPA, and NYPA assumed certain powers and duties relating to the Canal System to be exercised through the Canal Corporation. The Canal Corporation operates at a loss and is expected to require substantial operating and maintenance support and capital investment. The Canal Corporation's expenses are expected to be funded through transfers made from the Authority. Any transfer of funds would be subject to approval by the Board of Trustees and in compliance with NYPA's General Resolution Authorizing Revenue Obligations, as amended and supplemented ("General Bond Resolution.") Certain expenses eligible for reimbursement are expected to be reimbursed to the Authority by monies held in the Canal Development Fund maintained by the State Comptroller and the Commissioner of Taxation and Finance.

The Canal Corporation is committed to revitalizing the Canal System as defined in VISION2030 Renewed. In December 2024, the Canal Recreationway Commission published the Canal Recreationway Plan 2050, a 25-year roadmap to create a unified system of accessible waterways, trails and park-like spaces.

Given the age of the Canal System, the Authority expects significant maintenance and capital investments will be



required for the Canal System's continuing operation. The Authority's budget and financial plan for the Canal System for 2026-2029 includes operating and capital expenditures necessary to operate, maintain and repair the system. For the past three Enacted State Budgets, New York State appropriated $50 million annually in support of the Canal Corporation's capital expenses. The Authority will continue to evaluate the condition of the Canal System and expects to allocate additional funding if deemed necessary through its annual budgeting process or reduce funding if efficiencies are found. The Authority is also exploring additional funding opportunities through state and federal programs.

CAPTIVE

Legislation enacted in May 2022 (Chapter 193 of the Laws of 2022) amended the State insurance law to provide the Authority with the legal authority to form a pure captive insurance company, enabling the Authority to effectively provide coverage for risks that are not insured, not insurable on the traditional commercial markets or prohibitively expensive to insure through the commercial markets, and to provide the Authority with related tax exemptions.

On September 29, 2022, NYPA's Board of Trustees approved the formation of a subsidiary corporation to be called the NYPA Captive Insurance Company and the Authority thereafter filed an application for a license with the New York State Department of Financial Services (the "DFS.") On May 2, 2023, the DFS issued the Certificate of Incorporation for Captive, and Captive's Board of Directors held an organization meeting on May 25, 2023. The DFS issued the requisite license to operate to Captive on July 25, 2023.

Captive has initially underwritten a Terrorism Risk Insurance Act ("TRIA") certified nuclear, biological, chemical, and radiological ("NBCR") terrorism policy with aggregate limit of $500 million, which policy has a federal backstop, as well as a property deductible reimbursement line in the amount of $5 million per occurrence. On November 1, 2023, the coverage limit for the property deductible reimbursement line was increased to $10

million per occurrence. On January 1, 2024, Captive underwrote a cyber deductible reimbursement line in the amount of $5 million per occurrence. On June 15, 2024, Captive underwrote a general liability deductible reimbursement line in the amount of $5 million per occurrence with a $200,000 deductible. On January 1, 2025, Captive underwrote a Canal Corporation property deductible reimbursement line in the amount of $20 million per occurrence with a $200,000 deductible.

It is anticipated that the existence of Captive will result in cost savings to the Authority by reducing the need for commercial insurance and creating an efficient and effective claims handling process which will further enable the Authority to manage its overall risk more effectively and economically.

SEPARATELY FINANCED PROJECTS

The Authority has adopted its Transmission Bond Resolution (a bond resolution separate from the General Bond Resolution) to finance the costs of any project, facility, system, equipment or material related to or necessary or desirable in connection with the transmission or distribution of electricity, whether owned or leased (jointly or singly) by the Authority. This includes any transmission capacity in which the Authority holds an interest or a contractual right to use, provided the Authority designates it as a "Separately Financed Project" under the General Bond Resolution and an "SFP Transmission Project" under the Transmission Resolution (an "SFP Transmission Project.") To date, three projects have been designated as SFP Transmission Projects: Smart Path, Smart Path Connect and CEEC. This Four-Year Financial Plan assumes Propel NY and Uniondale Hub will be designated as SFP Transmission Projects.

In January 2022, the Authority's trustees authorized the issuance of Green Transmission Project Revenue Bonds. Series 2022A (the "2022A Transmission Revenue Bonds") under the Transmission Bond Resolution, distinct from the Authority's General Bond Resolution. The 2022A Bonds were issued on a tax-exempt basis in April 2022, in an aggregate principal amount of approximately $608 million.

Proceeds of the 2022A Bonds were used to fund capital expenditures related to the Smart Path and CEEC transmission construction projects (the "2022A SFP Transmission Projects,") reimburse prior expenditures related to those projects and to pay issuance and other ancillary expenses incurred with respect to the Bonds.

In September 2023, the Authority's Trustees authorized the issuance of Green Transmission Project Revenue Bonds, Series 2023A (the "2023 Transmission Revenue Bonds") under the Transmission Bond Resolution (distinct form the General Bond Resolution). On November 16, 2023, the Authority issued $734 million of 2023A Bonds at a premium.

The proceeds of the 2023A Transmission Revenue Bonds will be used to fund capital expenditures for the Smart Path Connect project (the "2023A SFP Transmission Project,") reimburse prior project-related expenditures and to pay issuance costs and other expenses associated with the Bonds.

The 2022A and 2023A Transmission Revenue Bonds (collectively, the "Transmission Revenue Bonds") are not payable from, nor secured by, revenues pledged under the Authority's General Bond Resolution, directly or indirectly. They are limited obligations of the Authority, payable solely from and secured exclusively by the SFP Transmission Trust Estate pledged under the Transmission Resolution. That estate includes the revenues (net of operating expenses) allocable to the 2022A and 2023A SFP Transmission Projects. However, the SFP Transmission Trust Estate excludes any real property, structures, facilities or equipment owned by the Authority.

NEW YORK RENEWABLE ENERGY DEVELOPMENT HOLDINGS COMPANY

NYREDHC is authorized to carry out NYPA's renewable energy business and strategy as provided under the Renewable Authority. On January 28, 2025, the Authority published an inaugural 3 GW NYPA Renewables Strategic Plan, which described how the Authority will operationalize its renewables work. On December 9, 2025, the Authority and NYREDHC approved an update to the strategic plan, detailing 45 individual projects and 146 distributed energy storage projects totaling nearly 5.5 GW of capacity. NYREDHC is authorized to pursue any project identified in the strategic plan.

NYPA expects that the activities of NYREDHC, as a separate legal entity from NYPA, will be conducted in a manner such that NYPA is not expected to be responsible for the financial or other obligations of NYREDHC. On May 1, 2025, NYPA executed a shared services agreement with NYREDHC under which NYREDHC will be required to reimburse NYPA for costs of providing services.

On December 31, 2024, NYPA funded NYREDHC with $100 million from amounts released from the lien of the Trust Estate created by the General Bond Resolution.

Further, in September 2025, NYPA and NYREDHC Trustees approved an intercompany loan facility for up to $100 million to fund ongoing investments by NYREDHC in renewable energy projects.

On February 28, 2025, NYREDHC purchased a 100% equity stake in Somers Solar from an affiliate of CS Energy, LLC and construction on the project began in 2026. Somers Solar is a 20-MW project in Fort Edward and was awarded a NYSERDA Tier 1 Index REC under the 2024 RES Solicitation.

On March 25, 2026, NYREDHC entered into an agreement to support the development of Hannacroix Solar, a 5-MW project in Greene County. Under the terms of the deal,

NYREDHC will provide initial financing to advance Hannacroix Solar through its remaining pre-construction development activities. Pending final due diligence and customary closing conditions, the Power Authority will finance the project's construction later this year, fully acquiring it in 2027. The agreement was negotiated with Teichos Energy, the project's developer.

On September 28, 2026, the Authority announced NYREDHC's participation in the development of the Rich Road Solar project, a 240-MW solar project in Canton. NYREDHC acquired a 51% majority equity interest in the project, with EDF power solutions North America ("EDF") maintaining a minority ownership. EDF will provide project development and oversee construction of the project. The project will contribute funds to the REACH program on an annual basis for the 20-year term of the NYSERDA Tier 1 REC contract.

The Authority has continued to conduct due diligence on projects and on December 8, 2026 plans to post a draft update of the biennial Strategic Plan for public comment through early 2027. The Authority will review comments and feedback and anticipates the Strategic Plan will be approved in 2027 by the Authority's and NYREDHC's Trustees.

NYREDHC plans to invest approximately $1.9 billion in 1 GW of renewable energy and storage projects from 2027–2030. NYREDHC expects to have several key sources of funds that will support this investment. NYPA is expected to contribute $200 million of equity that will be released at certain times during the Four-Year Financial Plan. This is in addition to the $100 million released at the end of 2024.

Further, the 2025-2026 Enacted State Budget contains a Sustainable Future Program (Section 75-0103 of the Environmental Conservation Law), which provides for "not less than $200 million for renewable energy projects, including" renewable energy generating projects undertaken pursuant to Renewables Authority. NYREDHC has already received portions of those funds from the State. The commitment of Sustainable Future Funds was increased by $100 million in the 2026-2027 Enacted State Budget. NYREDHC will use the $300 million of the Sustainable Future Funds for project investment and expects the intercompany loan facility, tax credits for safe harbored projects, operating cash flow and project financing to provide the remaining capital necessary to construct the portfolio.

NUCLEAR DEVELOPMENT PROJECT

In June 2025, Gov. Kathy Hochul requested NYPA to facilitate the development of at least 1 GW of nuclear energy in Upstate New York. While NYPA has no intention of owning a nuclear facility outright on its Balance Sheet, it may consider a potential minority investment and potential to become a future off-taker.

Governor Hochul announced in her State of the State address on January 13, 2026, that the State will target development of 5 GW of new nuclear power. The Nuclear Reliability Backbone will be developed by a new Department of Public Service ("DPS") process to consider, review and facilitate a cost-effective pathway 4 GW of new nuclear energy that will combine with NYPA's previously announced project of at least 1 GW.

NYPA did not spend any material amount on this project in 2026. As of the date of this report, NYPA has no material contractual obligations relating to this announcement. In the ensuing years, NYPA may or may not commit substantial funds to the development of the nuclear project. Any substantial amount of resources allocated or obligations undertaken relating to this announcement will be subject to the approval of the Authority's Trustees as deemed feasible and advisable.

In support of the governor's Nuclear Reliability Backbone initiative, the Authority issued a Request for Qualifications for Developers aimed at identifying developers capable of delivering an advanced nuclear generation project and a Request for Applications to identify New York State-based training providers eligible to access up to $40 million over the next four years for workforce development related to future nuclear operations. This initiative is part of the State's plan to develop at least 1 GW of advanced nuclear power in Upstate New York, intended to enhance long-term grid reliability and affordability, and support the State's clean energy transition. In 2025, the Trustees approved $40 million in funding for the Nuclear Reliability Backbone workforce development program.

ROBOTICS PROGRAM

NYPA's five-year Robotics Program entered its third year with significant expansion of advanced robotic technologies to enhance asset inspection, monitoring and operational safety. In 2026, Robotics systems grew to include long range VTOL aircraft, submersible and aquatic vehicles, confined space platforms and robotic crawlers, supported by FAA approvals for Beyond Visual Line of Sight and Remote Operations. With more than 140 trained pilots and operators, the program completed more than 3,300 missions and over 470 flight hours by June 30, 2026.

As of June 30, 2026, program investment totaled approximately $21 million, compared with $15 million at year end 2025, within the Trustees' approved $37 million five-year implementation plan. These investments position NYPA to safely scale robotic operations, enhance infrastructure reliability and accelerate innovation across the Authority.



d. SELF-ASSESSMENT OF BUDGETARY RISKS

Set forth below is a summary of key risks associated with the Authority's assets and operations. The following discussion of risks is intended only as a summary and does not purport to identify all the risk factors that may affect the Authority's assets and operations. Any one or more of the factors discussed and others could adversely affect the Authority's operations, assets, revenues, and expenses to an extent that cannot be determined at this time.

The Authority's business units represent the first line of defense in identifying and mitigating risk within each of their verticals. This is complemented by a robust, ongoing assessment process, overseen by the Authority's Risk and Resilience group and through legal review.

During the annual budgeting process, the Financial Planning and Analysis team consolidates information received from various departments at the Authority that is added to the financial forecast. The team engages and challenges all assumptions while working towards representing the most likely future financial outcome for the Authority. Additionally, the Board of Trustees authorized an enterprise-wide risk management program through an established Risk Management group that supports the business with identification, assessment, response, monitoring and reporting of risks.

The Authority's enterprise risk and resilience efforts are guided by the principles of ISO-31000 Risk Management and COSO Enterprise Risk Management and support risk-informed decision-making across the organization. The Authority's risk management framework utilizes a five-step risk lifecycle for managing risks: Identify, assess, respond, monitor and report. Risks and opportunities can be identified from various sources. Examples of possible internal and external sources for risk identification include employees, benchmarking, contractors, industry-relevant reports and professional networks. Methods to identify risks include assessments, surveys, workshops, audits, business planning/brainstorming and incident response.

The Authority maintains a risk register and an enterprise governance, risk and compliance system. Risk assessments are typically performed using a risk rating matrix that maps impact and likelihood across several risk impact types and likelihood ranges.

Enterprise risks are reported by the Risk Management department to the Executive Risk and Resilience Management Committee and are included in a semiannual report to the Board of Trustees' Risk and Resilience committee.

Enterprise Level Risks

REGULATORY ENVIRONMENT RISKS

Federal and state regulatory actions for the increased regulation of air, water and contaminants is periodically considered, and there are potential legislative and regulatory proposals which may affect the electric utility industry, including the Authority. It is not possible to predict which, if any, bills will be introduced and enacted or regulations that will be promulgated that may increase the Authority's regulatory risks or compliance costs.

In addition, from time to time, legislation is enacted into New York State law that purports to impose financial and other obligations on the Authority, either individually or along with other public authorities or governmental entities. The applicability of such provisions to the Authority would depend upon, among other things, the Authority's operations if any such proposals are not predictable or quantifiable.

On July 18, 2019, the State enacted the CLCPA as Chapter 106 of the Laws of 2019 ("Chapter 106"). The date upon which most provisions of Chapter 106 will become effective are dependent on the date that related legislation and regulations become effective and implemented by responsible State entities.

Several provisions of Chapter 106 could potentially impact the Authority's business and operations, such as: (1) provisions authorizing the state Department of Environmental Conservation to promulgate regulations establishing limits on statewide greenhouse gas ("GHG") emissions and to ensure compliance with such limits; (2) a requirement that specified State entities, including the Authority, adopt regulations to contribute to achieving statewide GHG emissions; (3) a requirement that State entities, including the Authority, assess and implement strategies to reduce GHG emissions; (4) consideration of

whether actions that the Authority would undertake in the course of its operations are consistent with State GHG emission limits that will be established pursuant to the enactment; and (5) potential allocation or realignment of resources to support the State's clean energy and energy efficiency goals for disadvantaged communities.

LEGISLATIVE ENVIRONMENT RISKS

Section 1011 of the Act constitutes a pledge of the State to owners of Authority obligations not to limit or alter the rights vested in the Authority by the Act until such obligations together with the interest thereon are fully met and discharged or unless adequate provision is made by law for the protection of the owners thereof. Bills are periodically introduced into the State Legislature which propose to limit or restrict the powers, rights and exemption from regulation which the Authority possesses under the Act and other applicable law or otherwise would affect the Authority's financial condition or its ability to conduct its business, activities or operations, in the manner presently conducted or contemplated hereby. It is not possible to predict whether any such bills or other bills of a similar type which may be introduced in the future would be enacted.

HYDROPOWER GENERATION RISK

The Authority's net income is highly dependent upon generation levels at its Niagara and St. Lawrence-FDR power projects. The generation levels are a function of the hydrological conditions prevailing on the Great Lakes; primarily, Lake Erie (Niagara Power Project) and Lake Ontario (St. Lawrence-FDR Power Project). The long-term generation level at the two projects is approximately 21.4 terawatt-hours ("TWh") annually. The Authority's hydroelectric generation forecasts are: 21.4 TWh in 2027, 21.6 TWh in 2028, 21.6 TWh in 2029, and 21.6 TWh in 2030. For every TWh movement, the estimated net income impact is approximately $50 million based on market prices.

Environmental or external factors (e.g., climate change, precipitation, flooding and ice conditions) can cause hydrological conditions to vary considerably from year to year. Hydropower generation may also face risks due to transmission line constraints within the region that impact the ability to generate energy and increased competitiveness of other types of renewable generation.

SUSTAINED MARGIN REDUCTION AND COMMODITY MARKET PRICE VOLATILITY RISK

Through its participation in the NYISO and other commodity markets, the Authority is subject to electric energy price, fuel price, metal commodities price and electric capacity price risks that impact the revenue and purchased power streams of its facilities and customer market areas. Such volatility could impact the Authority's financials.

To moderate cost impacts to its customers and itself, the Authority, at times, hedges market risks via the use of financial instruments and physical contracts. Commodities hedged include natural gas, natural gas basis, aluminum, energy, capacity and congestion costs associated with the transmission of electricity. Hedges mitigate the uncertainty in the price of energy and related products sold or purchased by the Authority. Hedges made on behalf of the Authority's customers are passed through, at cost, as provided for in customer contracts.

DISRUPTIVE INNOVATION AND CUSTOMER ENERGY CHOICES

Transformative technologies and customer empowerment create uncertainty for the Authority and the electric utility industry that can produce new business opportunities or impact demand for electricity. Through its strategic planning and risk management processes, the Authority regularly evaluates its mission, objectives and customer needs, and seeks to appropriately position itself to effectively meet the challenges of the transforming electric industry. This is done through the use of and constant re-evaluation of the Authority's long-term strategic plan, asset management strategy and a suite of customer solutions, including new/modified product offerings. The impact on the Authority's operations of any such industry transformation is not predictable or quantifiable.

ATTRACT, DEVELOP AND RETAIN A DIVERSE AND QUALIFIED WORKFORCE

Like many other industries, the power and utility sectors are seeing increased competition for, and a general shortage of, talent in uniquely skilled areas. This is expected to continue and be further impacted by transformations in the industry where new technologies are being developed and deployed, coupled with a shortage of skilled trades. The Authority recognizes the uncertainty of being able to attract and retain the skills and competencies needed to meet objectives. The Authority regularly evaluates and positions its recruiting, talent development and benefits programs accordingly, through its workforce planning strategic initiative and other ongoing efforts.

CYBER AND PHYSICAL SECURITY

The federal government recognizes the electric utility industry as critical infrastructure and works closely with the industry to ensure awareness of ongoing threats and see that appropriate protections are in place against physical and cyber attacks. The Authority constantly assesses the nature of these risks and adjusts its resources to best anticipate and respond to any threats.

Investments to harden physical and cyber assets, and their related infrastructure, are continually assessed to minimize potential adverse impacts to the Bulk Electric System, detect and deter sabotage attempts, and protect the Authority and its customer information. The Authority maintains a comprehensive cyber security program consisting of preventive and detective controls that are fully integrated into its digital ecosystem. The program

includes extensive external partnerships with industry organizations and government agencies to share best practices as well as classified and unclassified threat intelligence to keep pace with the evolving threat landscape, including AI-related threats.

The program is continually re-evaluated to ensure the effectiveness of the controls. The Authority maintains compliance with North American Electric Reliability Corporation Critical Infrastructure Protection standards. In addition, the Authority engages a third party to conduct an annual independent assessment of enterprise program maturity against the National Institute of Standards and Technology Cyber Security Framework. The Authority further mitigates the financial impact resulting from a cyber event through the purchase of cyber insurance. Any cyber acts considered terrorism would be covered through the Authority's property policy and/or TRIA.

DATA MANAGEMENT

The Authority leverages its connectivity, analytics and digital infrastructure to optimize physical and data assets, enable its workforce and empower customers. Collecting, managing, evaluating and protecting the increased data associated with enhanced digitization efforts introduces additional risk exposure. The Authority has classified its data risk based on risk tiers from its data protection policy and leverages enterprise platforms that provide transparency into its application and technology architecture, while also ensuring robust governance, lineage and policy compliance across its data assets. Cyber security solutions, as well as resiliency risk management planning tools, support the management of data at the Authority.

BUSINESS CONTINUITY

A catastrophic natural event, such as severe weather, flooding or an earthquake, can negatively affect the operations of the Authority's assets and the Bulk Electric System. The Authority regularly evaluates the resiliency of its assets and critical processes. In addition, the Authority has implemented disaster-planning programs relating to emergency management, disaster recovery and business continuity. These plans utilize an all-hazards approach to ensure the Authority's operating facilities and corporate offices are prepared to respond to any natural or man-made threat.

The Authority regularly conducts drills and exercises to ensure advance preparation for these types of events. The Authority maintains close working relationships with local first responders and government agencies to ensure its ongoing preparedness. An outbreak of disease or similar public health threat, such as a pandemic, or fear of such an event, could have an adverse impact on the Authority's financial condition and operating results.

FRAUD AND INSIDER THREAT

The Authority recognizes the potential of insider activities perpetrated by personnel who have or had authorized access to Authority facilities, information or systems that could negatively impact the organization. Several functions across the Authority (e.g., Ethics and Compliance, Legal, Cyber Security, Physical Security, etc.) have controls in place that deter, detect and mitigate discreet threats caused by insiders, such as monitoring privileged users, managing remote access, limiting end points, enforcing separation of duties and maintaining least privilege rights.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE, AND DIVERSITY, EQUITY AND INCLUSION

The Authority is accountable to stakeholders for effectively managing Environmental, Social and Governance and Diversity, Equity and Inclusion risks, as reflected in the Foundational Pillars for VISION2030 Renewed: Sustainability, People and Values, and Communities. Ineffective management may result in financial, reputational or operational impacts. Through a strategic governance framework, the Authority elevates related concerns across leadership and business units, enabling oversight, implementation and disclosure—advancing transparent sustainability practices, an inclusive and safety-first culture, and community-focused equity and engagement.

THIRD-PARTY PORTFOLIO

The Authority recognizes the potential risk exposure of its third-party portfolio. A limited supply base, supply chain disruption, geopolitical tensions and changes in laws and regulations can increase third-party risk exposure to the Authority if not managed adequately.

The Authority has a dedicated Strategic Supply Management team that works with other business units and third parties to understand their plans for local/domestic sourcing, in lieu of relying solely on manufacturing equipment from outside the U.S., to identify readily available alternatives and increase business resiliency.

The Authority maintains focus on key supplier relationships to ensure quality products and services are delivered.

In addition to key suppliers and supply-chain management, the Authority is also expanding its use of third-party arrangements such as strategic alliances. Engaging with partners and providers allows us to leverage the complementary strengths, resources and expertise of our partners, leading to enhanced competitive advantage and access to new markets. However, the Authority recognizes that third-party relationships come with risks, such as potential conflicts of interest, cultural and operational differences, and the complexities of shared decision-making. To mitigate these risks, the Authority prioritizes

thorough due diligence, clear communication and well-defined agreements to ensure alignment of goals.

CANAL CORPORATION

The Authority has identified key risk areas relating to the Canal Corporation and continues to employ and assess risk mitigation options across multiple enterprise risk fronts to manage or reduce potential exposures. Managing risk is one of the Canal Corporation's highest priorities, as risk management is practiced at all levels of the organization. The Canal Corporation's risk management policies and protocols are designed to ensure that risks are identified, understood, communicated and documented, and that controls to avoid or mitigate out-of-tolerance risks are in place. Fully understanding risks involves assessing the impact and likelihood of an undesirable occurrence.

The Canal Corporation's approach to asset and risk management has continually evolved since joining NYPA, guided by a rigorous prioritization system that places public safety at the forefront. The Canal Corporation has enhanced its structural inspection program and expanded its asset management program. The Canal System now averages 500 structural inspections per year and is further bolstered by the inspection and risk-based work of NYPA's Dam Safety team.

This essential source of information feeds the Canal Corporation's approach to asset management, which has been formally assessing asset risk statewide since 2021 by holding quarterly long-range planning risk meetings. In addition, the Canal Corporation identifies assets for risk assessment at these meetings with support from an automated algorithm developed by the asset management team to enhance early identification of potential concerns.

This framework and cadence have guided the Canal Corporation through a period of change management to adopt robust risk management practices and policies, similar to those modeled at NYPA. As part of the Canal Corporation's ongoing management strategy, the Authority will adjust and allocate resources accordingly.

PANDEMIC

The COVID-19 pandemic changed societal and business operation norms and impacted the risk profiles of organizations globally. The Authority continues to mitigate this risk through proactive and robust pandemic response plans. The Authority is well positioned to address future pandemic and business concerns by employing mitigation strategies such as an incident command system, business continuity plans, remote work policies, and return-to-work procedural and physical modifications.

CRITICAL INFRASTRUCTURE

The Authority is exposed to potential critical infrastructure failure that may lead to service disruption, injury and/or degradation of system reliability, all of which could impact financial results. The Authority engages in several activities to mitigate these risks, including the recertification of the ISO 55001 Asset Management certificate, the purchase of insurance, redundancy of major equipment, capital investments and a robust operations maintenance program.

Furthermore, the rigor of the Authority's asset management best practices has improved the consistent use of data to understand asset health and enhanced the monitoring of asset conditions to allow the Authority to prioritize investment based on risk. This has ensured that the Authority is prepared for energy industry transformations that are imminent to support meeting the State's environmental goals.

WORKFORCE HEALTH AND SAFETY

The Authority is exposed to a variety of health and safety risks. The health and safety of the Authority's workforce, customers, contractors and the citizens of New York State are of the highest priority to the Authority. The Authority has multiple levels of controls, policies, procedures and training programs to reduce and/or eliminate health and safety risks to the public and its workforce.

Litigation Risk

ST. REGIS LITIGATION

In 1982 and again in 1989, several groups of Mohawk Indians, including a Canadian Mohawk tribe, filed lawsuits (the St. Regis litigation) against the State, the governor of the State, St. Lawrence and Franklin counties, the St. Lawrence Seaway Development Corporation, the Authority, and others, claiming ownership to certain lands in St. Lawrence and Franklin counties and to Barnhart, Long Sault and Croil islands. The islands are within the boundary of the Authority's St. Lawrence-FDR Project and Barnhart Island is the location of significant project facilities. Settlement discussions were held periodically between 1992 and 1998. In 1998, the federal government intervened on behalf of all Mohawk plaintiffs.

The parties agreed to a land claim settlement, dated February 1, 2005, which if implemented would have include payment by the Authority of $2 million a year for 35 years to the tribal plaintiffs and the provision of up to 9 MW of low-cost Authority power for use on the reservation. The legislation required to effectuate the settlement was never enacted and the litigation continued.

In 2013, all claims against the Authority were dismissed and the lawsuit against the Authority was concluded. A Notice of Appeal was filed but the appeal was stayed and never perfected. On May 28, 2014, the State, the St. Regis Mohawk Tribe, St. Lawrence County and the Authority executed a Memorandum of Understanding ("St. Regis MOU") that outlined a framework for the possible settlement of all the land claims. In the St. Regis MOU, the Authority endorses a negotiated settlement that, among other terms and conditions, would require the Authority to pay the St. Regis Mohawk Tribe $2 million a year for 35

years and provide up to 9 MW of its hydropower at preference power rates to serve the needs of the St. Regis Mohawk Tribe's reservation.

In June 2023, the governor signed legislation (S.7566/A.7759) authorizing the State to execute a land claims settlement agreement consistent with the St. Regis MOU. Subsequently, the remaining parties informed the court that they had resolved their differences and agreed on a settlement framework. This framework has been formalized into a written final land claim settlement agreement, which was agreed to and signed by the plaintiff, St. Regis Mohawk Tribal Council on December 12, 2024. Given that the plaintiff accepted the offer made by the defendants, the Authority accrued a $26 million liability in 2024 based on the net present value of future payments to reflect its commitment to the payments outlined in the agreement.

In September 2025, the governor announced that the State reached a settlement agreement with the St. Regis Mohawk Tribe that is consistent with the St. Regis MOU. The settlement agreement requires, among other things, that the Authority make annual payments of $2 million for 35 years, totaling $70 million, and provide up to 9 MW of its lowest-cost power to the St. Regis Mohawk Tribe. The St. Regis MOU would require an Act of Congress to forever extinguish all Mohawk land claims prior to such a settlement becoming effective.

The U.S. House of Representatives passed a bill in December 2025 ratifying the terms of the MOU. The bill was introduced into the U.S. Senate, sponsored by Sen. Gillibrand, also in December, and the Senate bill was then referred to the Senate Committee on Indian Affairs, which held a hearing on June 2, 2026. The bill remains pending.

HELICOPTER INCIDENT NEAR THE AUTHORITY'S TRANSMISSION LINES IN BEEKMANTOWN

The Authority contracted with Northline Utilities, LLC ("Northline") to install fiber optic ground wire along the Authority's transmission system. Thereafter, Northline entered into a contract with Catalyst Aviation, LLC ("Catalyst") for helicopter services. In 2018, a Catalyst helicopter was destroyed when it collided with a wooden utility pole and power lines near Beekmantown. Members of the helicopter crew were injured, and two members of that crew died as a result of their injuries. The Authority has received two notices of claim arising out of this incident. The Authority has pursued insurance coverage under Northline's insurance policies that name the Authority as an additional insured. The Authority tendered its defense of these Notices of Claim to Northline's insurer, and the insurer has accepted the Authority's tender. The Authority believes there exists sufficient insurance coverage to cover these claims. In any event, to the extent that the insurance coverage limitations are insufficient, Northline is responsible under the defense and indemnification provisions of its contract with the Authority.

The Authority's outside counsel moved for Summary Judgment, which was granted in full by the Trial Court. The plaintiffs have appealed to the Appellate Division, Second Department. The Second Department issued its decision in March 2026, reversing the lower court in part and sending the case back to the Trial Court for further proceedings. The Second Department upheld the lower court's dismissal of the Labor Law claims. Plaintiffs are seeking to appeal the Second Department's decision to the New York State Court of Appeals.

MISCELLANEOUS

Additional actions or claims against the Authority are pending for the taking of property in connection with its projects, for negligence, for personal injury (including asbestos-related injuries,) in contract, and for environmental, employment and other matters. All such other actions or claims will, in the Authority's opinion, be disposed of within the amounts of the Authority's insurance coverage, where applicable, or the amount which the Authority has available therefore and without any material adverse effect on its business. While the Authority cannot predict the outcome of the matters described above or any related litigation, the Authority believes it has meritorious defenses and positions with respect thereto. However, adverse decisions of a certain type in the matters discussed above could adversely affect Authority operations and revenues.

e. REVISED FORECAST OF 2026 BUDGET

Revised Forecast of 2026 Budget
(In $ Millions)

	Original Budget 2026	Revised Forecast 2026	Variance Favorable/ (Unfavorable) 2026
Operating Revenues			
Generation Revenue	$1,003.4	$1,210.9	$207.5
Ancillary Service Revenue	55.1	64.7	9.5
Transmission and Other	364.0	379.9	15.9
Separately Financed Projects Net Income	130.9	145.3	14.3
Non-Utility Revenue	69.1	88.1	19.0
Pass-Through Revenue	2,042.0	2,448.3	406.4
Total Operating Revenues	**3,664.5**	**4,337.2**	**672.7**
Operating Expenses			
Purchased Power	(15.4)	(97.7)	(82.3)
Fuel Consumed - Oil and Gas	(48.4)	(62.0)	(13.7)
Transportation and Delivery	(97.6)	(99.1)	(1.6)
Pass-Through Expense	(2,042.0)	(2,448.3)	(406.4)
Operations and Maintenance	(734.5)	(734.0)	0.5
Other Expenses	(132.8)	(211.1)	(78.4)
Total Operating Expenses	**(3,070.6)**	**(3,652.3)**	**(581.7)**
NET OPERATING INCOME	**593.9**	**684.9**	**91.0**
Non-Operating Income and Expenses			
Depreciation and Amortization	(372.3)	(388.8)	(16.5)
Investment and Other Income	67.6	53.2	(14.4)
Canals Grant Proceeds	15.0	16.3	1.3
Interest and Other Expenses	(28.2)	(34.4)	(6.1)
Total Non-Operating Income and Expenses	**(318.0)**	**(353.7)**	**(35.7)**
NYPA/CANALS/SFP/CAPTIVE NET INCOME	**$275.9**	**$331.2**	**$55.4**
NYREDHC NET INCOME	**($2.7)**	**$52.8**	**$55.5**

f. RECONCILIATION OF 2026 BUDGET AND 2026 REVISED FORECAST

As of September 2026, year-end net income is forecasted to be $331 million, which is $55 million above budget. This favorable variance is primarily driven by higher transmission revenues, stronger generation revenues supported by favorable power prices and increased output, and higher non-utility revenues resulting from additional Energy Services implementations. These gains are partially offset by higher non-operating expenses related to unrealized mark-to-market impacts, higher-than-planned depreciation, and increased interest expense. As of September 2026, NYREDHC year-end net income is projected to be $53 million dollars, representing a favorable variance of $55 million relative to budget. This variance is primarily attributable to the recognition of expenditures from the Sustainable Future Funds as income within Investment and Other Income on the profit and loss statement. Apart from this item, shifts in the anticipated in-service dates of certain projects have deferred the associated operating revenues and depreciation expenses into 2027.

g. STATEMENT OF 2025 FINANCIAL PERFORMANCE

Net Income - Actual vs. Budgeted for the Year Ended December 31, 2025

(In $ Millions)

	Budget 2025	Actual 2025	Variance Favorable/ (Unfavorable) 2025
Operating Revenues			
Generation Revenue	$920.1	$1,084.7	$164.5
Ancillary Service Revenue	36.9	53.9	17.0
Transmission and Other	327.8	394.7	66.9
Separately Financed Projects Net Income	78.7	88.9	10.2
Non-Utility Revenue	60.6	70.3	9.6
Pass-Through Revenue	1,912.4	2,306.6	394.2
Total Operating Revenues	**3,336.6**	**3,999.1**	**662.5**
Operating Expenses			
Purchased Power	(12.5)	(70.4)	(58.0)
Fuel Consumed - Oil and Gas	(35.3)	(52.5)	(17.2)
Transportation and Delivery	(96.8)	(96.9)	(0.1)
Pass-Through Expense	(1,912.4)	(2,306.6)	(394.2)
Operations and Maintenance	(690.7)	(700.4)	(9.7)
Other Expense	(108.6)	(157.2)	(48.6)
Total Operating Expenses	**(2,856.3)**	**(3,384.1)**	**(527.8)**
NET OPERATING INCOME	**480.3**	**615.0**	**134.8**
Non-Operating Income and Expenses			
Depreciation and Amortization	(357.3)	(344.5)	12.8
Investment and Other Income	83.5	124.9	41.5
Interest and Other Expenses	(35.2)	(117.5)	(82.2)
Total Non-Operating Income and Expenses	**(309.1)**	**(337.1)**	**(28.0)**
NYPA/CANALS/SFP/CAPTIVE NET INCOME	**$171.2**	**$277.9**	**$106.8**
NYREDHC NET INCOME	**($5.3)**	**$3.9**	**$9.2**

SUMMARY OF 2025 FINANCIAL PERFORMANCE

The Authority had a net income of $282 million for the year ended December 31, 2025, compared to budgeted net income of $166 million, an increase of $116 million. The 2025 variance is primarily due to favorable power prices and increases in transmission revenues. These increases are partially offset by higher purchased power costs, fuel transactions costs associated with Authority's fossil fleet and other expenses.

h. EMPLOYEE DATA – NUMBER OF EMPLOYEES, FULL TIME, FTEs, AND FUNCTIONAL CLASSIFICATION

Headcount Projections 2027 – 2030

	2027	2028	2029	2030
Enterprise	852	862	872	883
Operations	1,414	1,431	1,449	1,466
Transmission	349	337	340	344
Total NYPA[1]	**2,615**	**2,630**	**2,661**	**2,693**
Canal Corporation	543	543	543	543
Total NYPA and CANAL CORPORATION	**3,158**	**3,173**	**3,204**	**3,236**

[1]Estimated positions including vacancies subject to authorization.

i. GAP-CLOSING INITIATIVES – REVENUE ENHANCEMENT OR COST – REDUCTION INITIATIVES

When building a multi-year operating plan, the Authority has developed contingency plans to adapt to unforeseen changes in its financial results. The Authority projects positive net income for the 2027-2030 period, constructed upon a level of expenses outlined in this Four-Year Financial Plan. If that net income projection materially changes during the forecast period, the Authority will take actions if deemed appropriate.

j. MATERIAL NON-RECURRING RESOURCES – SOURCE AND AMOUNT

Except as discussed elsewhere in this report, there are no material non-recurring resources expected in the 20272030 period. Matters identified in this report, including the risk sections, may cause material non-recurring resources over the next four years.

k. SHIFT IN MATERIAL RESOURCES

The Authority's Act was amended in 2023 to, among other things, provide the Authority with the power to create one or more subsidiaries for the purpose of financing, developing and operating renewable energy generating projects in support of the State's renewable energy goals established in the CLCPA, Chapter 106 of the Laws of 2019. Pursuant to such authority, NYPA formed NYREDHC as a subsidiary under the New York Business Corporation Law, the shares of which are wholly owned by the Authority. On May 1, 2025, NYPA executed a shared services agreement with NYREDHC under which NYREDHC will be required to reimburse NYPA for costs of providing services. On September 23, 2025, the Authority authorized an intercompany loan facility of up to $100 million to NYREDHC.

l. DEBT SERVICE

New York Power Authority Projected Debt Outstanding (FYE)

(In $ Thousands)

	2027	2028	2029	2030
General Resolution Revenue Bonds[1]	$2,034,630	$2,034,630	$2,034,630	$1,998,255
Commercial Paper Notes	$250,000	$332,000	$374,579	$250,000
Grand Total	**$2,284,630**	**$2,366,630**	**$2,409,209**	**$2,248,255**

[1]2027 includes $350 million in new tax-exempt and taxable bonds.

Separately Financed Projects Projected Debt Outstanding (FYE)

(In $ Thousands)

	2027	2028	2029	2030
Transmission Resolution Revenue Bonds[1,2]	$1,715,030	$1,658,480	$1,965,285	$1,911,705
Grand Total	**$1,715,030**	**$1,658,480**	**$1,965,285**	**$1,911,705**

[1]2027 includes $500 million in new tax-exempt bonds for Propel NY.

[2]2029 includes $348 million in new tax-exempt bonds for Uniondale Hub Substation.

The Authority Debt Service as Percentage of Pledged Revenues (Accrual Based)[1]

(In $ Thousands)

	2027		2028		2029		2030	
	Debt Service	% of Revenue	Debt Service	% of Revenue	Debt Service	% of Revenue	Debt Service	% of Revenue
Revenue Bonds	$51,693	1%	$69,108	2%	$73,755	2%	$123,362	3%
Commercial Paper Notes	$21,274	1%	$11,730	0%	$15,721	0%	$14,957	0%
Grand Total Debt Service	**$72,968**	**2%**	**$80,838**	**2%**	**$89,477**	**2%**	**$138,319**	**3%**
Debt Service Coverage Ratio[2]	**15.7x**		**12.7x**		**11.9x**		**7.2x**	

[1]2027-2030 includes capitalized interest expense.

[2]Includes Long-Term Debt Only, Excluding Separately Financed Projects and Canals Grant Proceeds.

SFP Debt Service as Percentage of Pledged Revenues (Accrual Based)[1]

(In $ Thousands)

	2027		2028		2029		2030	
	Debt Service	% of Revenue	Debt Service	% of Revenue	Debt Service	% of Revenue	Debt Service	% of Revenue
Transmission Resolution Revenue Bonds	$120,142	33%	$111,519	32%	$99,381	29%	$131,957	36%
Grand Total Debt Service	**$120,142**	**33%**	**$111,519**	**32%**	**$99,381**	**29%**	**$131,957**	**36%**
Debt Service Coverage Ratio	**2.3x**		**2.3x**		**2.4x**		**2.0x**	

[1]2027-2030 includes capitalized interest expense.

The Authority Scheduled Debt Service Payments (Accrual Basis) Outstanding (Issued) Debt[1]

(In $ Thousands)

Year	Principal	Interest	Total
2027	$0	$69,108	$69,108
2028	$0	$69,108	$69,108
2029	$3,889	$69,108	$72,996
2030	$30,629	$68,913	$99,542

Proposed Debt

Year	Principal	Interest	Total
2027	$0	$2,284	$2,284
2028	$0	$17,879	$17,879
2029	$759	$17,879	$18,638
2030	$5,978	$17,841	$23,819

Total Debt

Year	Principal	Interest	Total
2027	$0	$71,392	$71,392
2028	$0	$86,986	$86,986
2029	$4,648	$86,986	$91,634
2030	$36,608	$86,754	$123,362

[1]2027-2030 excludes capitalized interest expense.

SFP Scheduled Debt Service Payments (Accrual Basis) Outstanding (Issued) Debt[1]

(In $ Thousands)

Year	Principal	Interest	Total
2027	$56,995	$59,784	$116,779
2028	$54,585	$56,935	$111,519
2029	$40,476	$54,205	$94,681
2030	$35,724	$52,182	$87,906

Proposed Debt

Year	Principal	Interest	Total
2027	$0	$3,363	$3,363
2028	$0	$26,320	$26,320
2029	$2,280	$28,740	$31,020
2030	$17,845	$45,144	$62,989

Total Debt

Year	Principal	Interest	Total
2027	$56,995	$63,147	$120,142
2028	$54,585	$83,255	$137,840
2029	$42,756	$82,945	$125,701
2030	$53,569	$97,326	$150,895

[1]2027-2030 excludes capitalized interest expense.

The Authority Planned Use of Debt Issuances

(In $ Millions)

	Amount	Interest Rate	Project/Description
Period January 1, 2027–December 31, 2027			
Tax-Exempt Commercial Paper	$300	3.85%	Short-term funding for Capital Expenditures. Repaid by fiscal year-end.
Taxable Commercial Paper	$0	0%	
Tax-Exempt Revenue Bonds	$300	5%	Transmission, Enterprise
Taxable Revenue Bonds	$50	5%	Robert Moses Power Plant
Total Issued 2027	$650		
Period January 1, 2028–December 31, 2028			
Tax-Exempt Commercial Paper	$0	0%	
Taxable Commercial Paper	$0	0%	
Tax-Exempt Revenue Bonds	$0	0%	
Taxable Revenue Bonds	$0	0%	
Total Issued 2028	$0		
Period January 1, 2029–December 31, 2029			
Tax-Exempt Commercial Paper	$0	0%	
Taxable Commercial Paper	$0	0%	
Tax-Exempt Revenue Bonds	$0	0%	
Taxable Revenue Bonds	$0	0%	
Total Issued 2029	$0		
Period January 1, 2030–December 31, 2030			
Tax-Exempt Commercial Paper	$0	0%	
Taxable Commercial Paper	$0	0%	
Tax-Exempt Revenue Bonds	$0	0%	
Taxable Revenue Bonds	$0	0%	
Total Issued 2030	$0		

SFP Planned Use of Debt Issuances[1]

(In $ Millions)

	Amount	Interest Rate	Project / Description
Period January 1, 2027–December 31, 2027			
Tax-Exempt Commercial Paper	$0	0%	
Taxable Commercial Paper	$0	0%	
Tax-Exempt Revenue Bonds	$500	5%	Propel New York
Taxable Revenue Bonds	$0	0%	
Total Issued 2027	$500		
Period January 1, 2028–December 31, 2028			
Tax-Exempt Commercial Paper	$0	0%	
Taxable Commercial Paper	$0	0%	
Tax-Exempt Revenue Bonds	$0	0%	
Taxable Revenue Bonds	$0	0%	
Total Issued 2028	$0		
Period January 1, 2029–December 31, 2029			
Tax-Exempt Commercial Paper	$0	0%	
Taxable Commercial Paper	$0	0%	
Tax-Exempt Revenue Bonds	$348	5%	Uniondale Hub Substation
Taxable Revenue Bonds	$0	0%	
Total Issued 2029	$348		
Period January 1, 2030–December 31, 2030			
Tax-Exempt Commercial Paper	$0	0%	
Taxable Commercial Paper	$0	0%	
Tax-Exempt Revenue Bonds	$0	0%	
Taxable Revenue Bonds	$0	0%	
Total Issued 2030	$0		

[1] Note: The full faith and credit of the Authority are pledged for the payment of bonds and notes in accordance with their terms and provisions of their respective resolutions. The Authority has no taxing power, and its obligations are not debts of the State or any political subdivision of the State other than the Authority. The Authority's debt does not constitute a pledge of the faith and credit of the State or of any political subdivision thereof, other than the Authority.

m. CAPITAL COMMITMENTS AND SOURCES OF FUNDING

The Authority's commitments for various capital improvements are approximately $3.5 billion over the financial period 2027-2030. The Authority anticipates these improvements will be funded with existing construction funds, internally generated funds and additional borrowings.

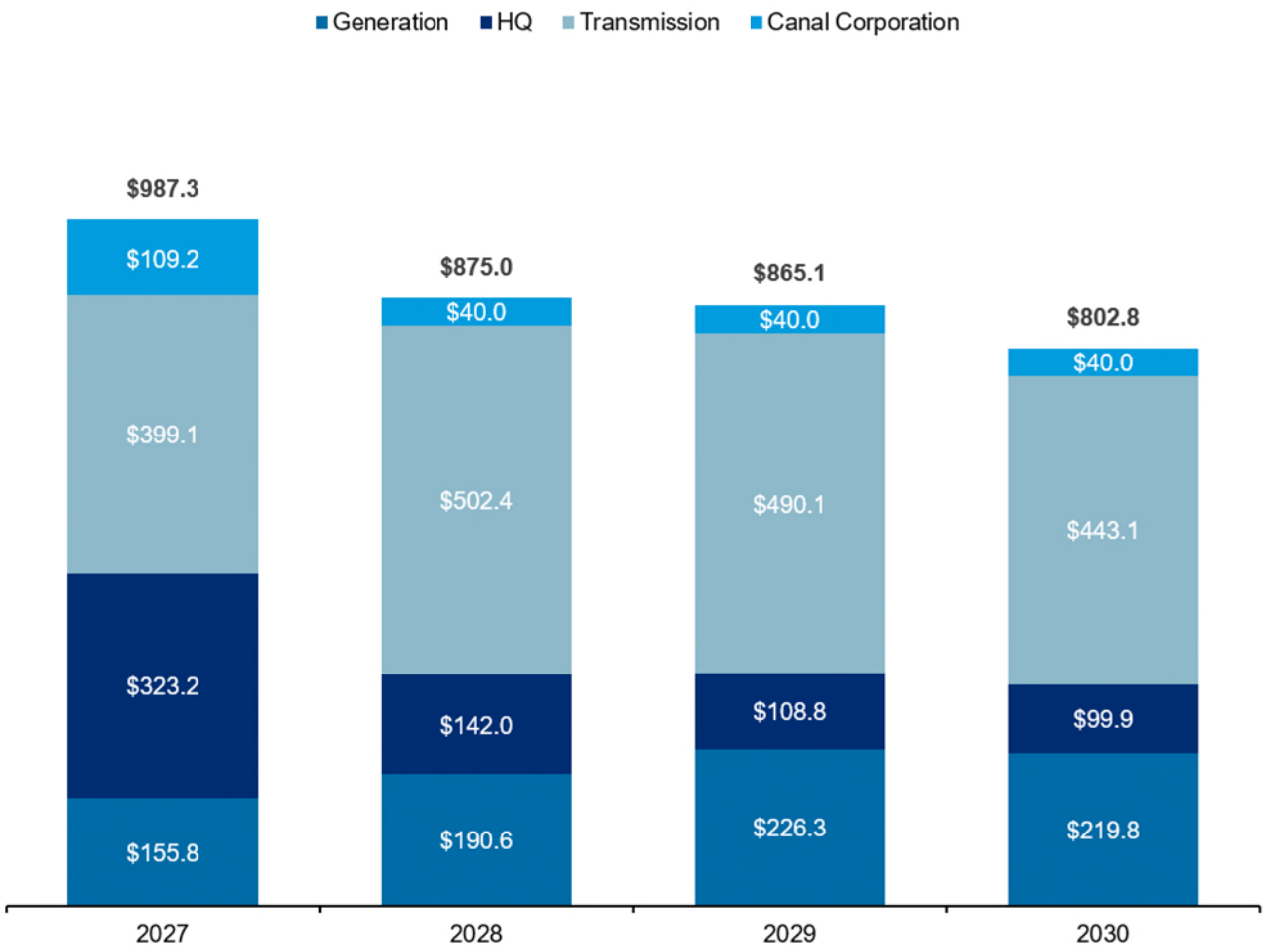
Canal Corporation capital investments are contingent on additional funding opportunities through State and federal programs. Additionally, the Authority projects to spend approximately $1.7 billion on Energy Efficiency Services projects for its customers, which will be separately financed.

NYREDHC projects to invest approximately $1.9 billion over the upcoming four-year period, of which NYPA has contributed $100 million of equity to date and is expected to contribute an additional $200 million of equity at certain times during the four-year financial plan. In addition, the NYREDHC capital program and associated projects are expected to be funded through a combination of non-recourse project-level debt (including tax-exempt financing to the maximum extent permitted), Sustainable Future Funds, federal tax credits for safe harbored projects, the intercompany loan facility and operating cash flows.

In accordance with Treasury Regulation Section 1.15-2, the Authority's and NYREDHC's official intent to finance the capital program is as follows: The Authority and/or NYREDHC intend to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority and/or NYREDHC. For additional information and disclosures related to the Authority's debt, please see the Electronic Municipal Market Access ("EMMA") website.

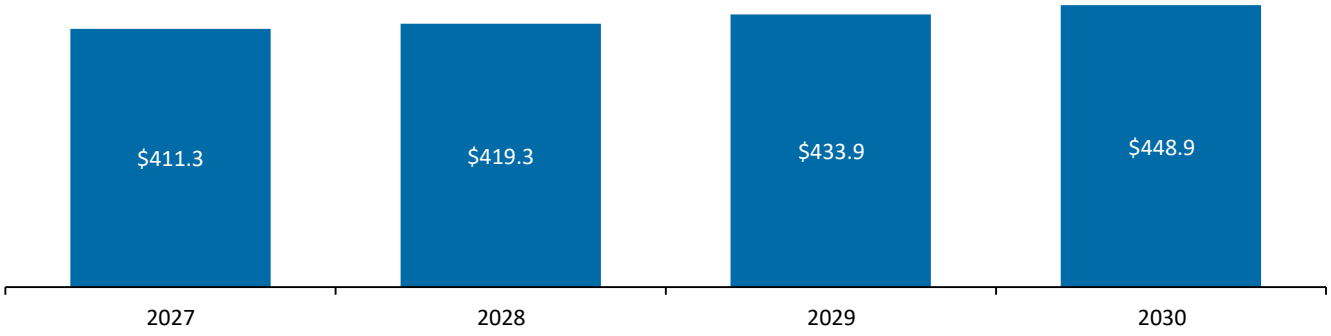
Projected capital commitments during this period include those listed in the table below:

2027 - 2030 Capital Commitments By Function
(In $ Millions)



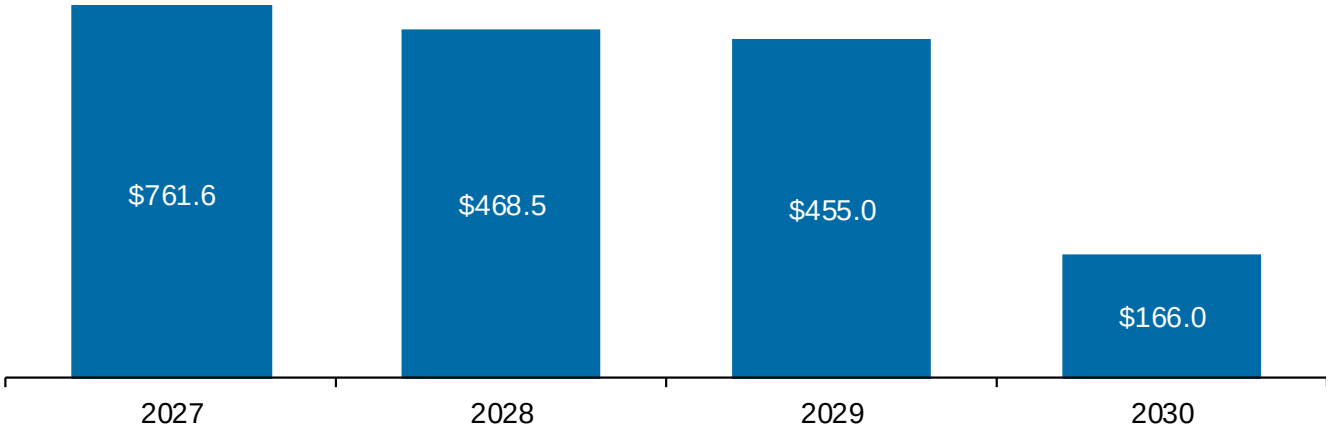
2027-2030 Energy Efficiency Services Capital Commitments

(In $ Millions)



2027-2030 NYREDHC Capital Commitments

(In $ Millions)



2027 - 2030 Capital Commitments By Function

(In $ Millions)

	2027	2028	2029	2030
Generation				
Robert Moses Superstructure Bridge Replacement	$3.4	$2.6	$39.2	$50.2
Next Generation Niagara	24.9	26.9	17.4	24.7
St. Lawrence 90- and 300-Ton Crane Replacements	17.7	11.5	23.3	21.7
NYPA/Ontario Power Generation Regulatory Asset Program	17.6	20.0	15.6	9.8
Blenheim-Gilboa Visitor Center Upgrade	11.1	16.6	7.3	0.2
Long Sault Dam Capital Program	1.0	5.3	14.4	12.0
Joint Works Massena Canal Dam	8.1	10.0	6.7	1.3
Robert Moses Cooling Water System Upgrades	1.1	16.0	5.0	3.8
Niagara Station Service MCC Evaluation and Upgrade	0.6	8.1	12.3	4.6
Niagara End-of-Life Runner Replacement Program	2.4	2.3	3.1	11.8
Other Generation	68.0	71.3	81.8	79.6
Transmission				
Propel NY Energy	172.7	96.3	96.3	5.9
Transmission 2035 Program	29.1	68.8	72.0	110.5
Marcy Enhanced STATCOM	21.0	78.4	78.4	58.1
Uniondale Hub Substation Upgrade	70.6	101.7	55.7	6.3
Transmission Business Development	4.9	40.0	50.0	125.0
Critical/Priority Capital Spares Program	5.6	25.5	53.9	45.4
Transmission Life Extension and Modernization ("T-LEM")	46.6	30.0	13.3	18.9
West Transition Settlement Long-Term Mitigation	0.0	6.0	14.0	20.0
Clark Energy Center 765kV Spare Autobank Transformer	0.1	5.0	22.2	5.7
Robert Moses Unit 12 GSU Transformer	1.1	4.3	3.7	15.6
Other Transmission	47.2	46.4	30.6	31.8
Enterprise Investments				
Information Technology Programs	60.4	54.0	53.3	55.8
Asset Management and Resilience	72.0	24.0	26.9	34.3
Digitalization and Technology Platforms	91.1	27.7	14.4	8.6
Serve Customers and Decarbonize NYS	45.7	36.2	14.1	1.2
White Plains Office Building Facilities	54.1	0.0	0.0	0.0
Revitalize the New York State Canal System				
Revitalize the New York State Canal System	109.2	40.0	40.0	40.0
Total NYPA and Canal Corporation	**$987.3**	**$875.0**	**$865.1**	**$802.8**
Total Energy Efficiency Services	**$411.3**	**$419.3**	**$433.9**	**$448.9**
Total NYREDHC	**$761.6**	**$468.5**	**$455.0**	**$166.0**

n. CREDIT AGENCY RATING DISCUSSION

Maintaining a strong relationship with the capital markets is central to NYPA's operations. In 2026, S&P Global Ratings, Fitch Ratings and Kroll Bond Rating Agency ("KBRA") affirmed the Authority's General Bonds Resolution long-term rating of 'AA', 'AA' and 'AA+,' respectively, with stable outlooks. In 2026, Moody's Investor Services ("Moody's) maintained the General Bond Resolution long-term rating of 'Aa1,' with a stable outlook. These ratings are among the highest ratings awarded to U.S. public electric utilities, enabling the Authority to finance capital projects on favorable terms.

The Authority issues long-term bonds pursuant to the General Bond Resolution. That resolution applies to all NYPA's projects, defined broadly as any facility, system, equipment or material related to the generation, production, transportation, transmission, distribution, delivery, storage, conservation, purchase or use of energy or fuel (whether owned jointly or singly by NYPA). However, "Project" excludes any "Separately Financed Project" as that term is defined in the General Bond Resolution.

Under the covenants of the General Bond Resolution, the Authority agrees that it will at all times maintain rates, fees or charges–and structure its power sale, transmission or distribution contracts–so that (together with other moneys, including the anticipated proceeds of future obligations, but excluding any proceeds from the sale of any Project) its revenues will be sufficient, (i) to pay all Operating Expenses, (ii) to pay the debt service on all outstanding Obligations, Subordinated Indebtedness, Parity Debt and Subordinated Contract Obligations, as they become due; and (iii) to maintain any reserve required by the General Bond Resolution (in such amount as the Authority may determine).

Net revenues (i.e. after operating expenses, reserves for working capital, grants and compliance) are applied first to interest, principal or redemption of Obligations issued under the General Bond Resolution and to Parity Debt issued under that Resolution.

The General Bond Resolution also allows, subject to Board of Trustees approval, withdrawals from the Operating Fund (in excess of amounts needed for operating expenses, debt service and subordinated obligations) for any lawful corporate purpose, including retirement of Obligations issued under the General Bond Resolution.

To support the Aa1/AA/ AA/ AA+ bond ratings and all of the benefits they confer to NYPA and its customers, the Authority maintains certain benchmark targets consistent with peer-rated entities. In 2011, the Authority's Board of Trustees adopted a policy statement regarding voluntary contributions, transfers, or other payments to the State. The policy refers to a reference point (not a binding covenant) of maintaining a debt service coverage ratio of at least 2.0x in deciding whether to make such disbursements. The Board of Trustees retains discretionary authority to modify or eliminate that policy.

In 2022, the Authority adopted the Transmission Bond Resolution (a bond resolution distinct from the General Bond Resolution) to finance designated "SFP Transmission Projects" (i.e. projects that are "Separately Financed Project" under the General Bond Resolution and an "SFP Transmission Project" under the "Transmission Bond Resolution"). These are transmission/distribution projects (whether owned or leased) that the Authority has designated as subject to the separate financing framework.

In 2026, Fitch Ratings and KBRA affirmed the 'AA-" and 'AA' underlying rating, respectively, to the Authority's SFP Transmission Project Revenue Bonds, both with stable outlooks. In 2026, Moody's maintained the SFP Transmission Project Revenue Bonds of 'Aa3,' with stable outlook. S&P does not assign an underlying rating on the SFP Transmission Project Revenue Bonds.


WITTE
123 Main Street.
White Plains, NY
10601-3170
nypa.gov
NEW YORK STATE
NY Power Authority
Canal Corporation