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RATING ACTION COMMENTARY

Fitch Affirms New York Power Authority's Bonds at 'AA'; Outlook Stable

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Fitch Ratings - New York - 20 Aug 2026: Fitch has affirmed New York Power Authority's (NYPA) outstanding $1.685 billion senior lien revenue bond obligations and issuer default rating (IDR) at 'AA'.

Fitch has also affirmed the short-term 'F1+' ratings for NYPA's $950 million maximum authorized commercial paper (CP) program and $200 million maximum extendible municipal CP program.

The Rating Outlook is Stable.

RATING ACTIONS

ENTITY / DEBT	RATING TYPE	RATING	RATING ACTION	PRIOR
New York Power Authority (NY) [Power Supply System]	LT IDR	AA Rating Outlook Stable	Affirmed	AA Rating Outlook Stable
New York Power Authority (NY) /Power Supply Revs/1 LT	LT	AA Rating Outlook Stable	Affirmed	AA Rating Outlook Stable

New York Power Authority (NY) /Self-Liquidity/1 ST	ST	F1+	Affirmed	F1+

VIEW ADDITIONAL RATING DETAILS

The 'AA' rating on NYPA's long-term revenue obligations supporting its power supply system and issued under its general resolution reflect its very strong financial profile. NYPA's consolidated financial leverage, which includes the separately financed transmission project (SFTP), was below 4.0x in 2025 and remains in line with historical ratios. Ratios related to the power supply system alone are even stronger. Liquidity and other financial metrics remain robust.

NYPA's consolidated capital plan remains substantial, with major investments in transmission, ongoing hydro facility updates and investments to support the state's clean energy goals. Although leverage is expected to trend higher, consolidated leverage should remain at or below 5x and power system leverage alone below 4x under Fitch's rating case. This is supportive of the current rating.

The 'F1+' rating reflects NYPA's 'AA' IDR and adequate liquidity to repay CP notes in the event of a failed remarketing.

SECURITY

The senior lien bonds are secured by a pledge of the Trust Estate, including pledged revenues from NYPA's operations other than those directly or indirectly attributable to the ownership and operation of the SFTP. CP notes are subordinate to senior lien debt-service payments.

KEY RATING DRIVERS

Revenue Defensibility - 'a'

Very Strong Rate Flexibility: Contractual Framework Presents Asymmetric Risk

NYPA's revenue defensibility is strong but constrained by a contractual framework that includes power sales arrangements that expire prior to the final maturity of its debt and that may be terminated under certain circumstances. The assessment also considers NYPA's very strong rate flexibility, and the generally strong credit quality of its largest

customers. Stable revenues and margins attributable to transmission services financed under the general resolution further support revenue defensibility.

The credit quality of NYPA's largest customers, including New York City (AA/Stable), the Metropolitan Transportation Authority (AA/Stable) and the Port Authority of New York & New Jersey (AA-/Positive), is considered, but the permissive contract termination provisions constitute an asymmetric rating factor that limits the assessment to 'a'.

Operating Risk - 'a'

Low-Cost, Predominately Hydroelectric Operations

Operating risk is low based on the blended cost of NYPA's power supply, which reflects its extremely low-cost hydroelectric resources, fossil-fired generation and purchased power and expenses from other state-sponsored initiatives. NYPA's resource portfolio remains reasonably diversified, and the performance of owned generation including the St. Lawrence-FDR and Niagara facilities remains strong.

Capital needs related to the power supply system and financed under the general resolution approximate $1.8 billion through 2029. Projects include upgrades to existing generating facilities and the completion of a new office building. Future transmission capex is earmarked at $1.6 billion but is expected to be largely financed through SFTP or other financing vehicles. Planned spending for renewable energy development and Canal Corporation projects will likely be funded separately or supported by third-party funding.

Potential credit ramifications of Governor Hochul's request for NYPA to consider developing a nuclear plant in New York are not factored into the rating. NYPA's precise role and the related risks have not been determined.

Financial Profile - 'aa'

Very Strong Financial Profile, Very Low Leverage

NYPA's very strong financial profile reflects very strong coverage ratios, ample liquidity and very low leverage. On a consolidated basis, Fitch-calculated debt service coverage exceeded 4x during 2022-2025, and leverage remained below 4x. Total liquidity at YE 2025 was 272 days, including 177 days cash on hand. Excluding the operations of the SFTP and considering NYPA has no fixed costs associated with its purchased power agreements, Fitch-calculated leverage was below 1x at YE 2025.

In Fitch's rating case scenario analysis, slightly higher leverage ratios are anticipated for NYPA on a consolidated basis and for the power supply system alone, given anticipated higher capital spending and future borrowings. The ratios on a consolidated basis are expected to moderate below 5.0x in 2028 and 2029 in Fitch's rating case, and below 4x on a nonconsolidated basis, and remain supportive of the rating. Liquidity is expected to remain neutral and supportive of the rating.

Fitch uses consolidated ratios, as well as ratios individually attributable to the SFTP and NYPA's operations excluding the SFTP, to separately assess the risk of obligations funded under the SFTP resolution and the general resolution.

Asymmetric Additional Risk Considerations

No asymmetric risk considerations are factored into the rating.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

--A material reduction in merchant sales margins, higher-than-anticipated capex, or other state actions that alter NYPA's financial profile;

--Sustained power supply system leverage above 4.0x in Fitch's rating case scenario;

--Sustained consolidated leverage above 6.0x in Fitch's rating case scenario, assuming no change in consolidated revenue defensibility;

--A downgrade of the authority's rating below 'AA-' could result in a downgrade of the short-term rating.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

--Sustained power supply system leverage approaching 2.0x in Fitch's rating case scenario;

--Sustained consolidated leverage below 4.0x in Fitch's rating case scenario, assuming no change in consolidated revenue defensibility.

PROFILE

NYPA is a political subdivision of the State of New York with a mission to support economic growth throughout the state by providing low-cost, clean energy and innovative energy

infrastructure. In its capacity, NYPA provides wholesale power supply and transmission to customers throughout the state including municipal, rural electric and investor-owned electric utilities, direct industrial users, public corporations, and several out-of-state utilities.

Sources of Information

In addition to the sources of information identified in Fitch's applicable criteria specified below, this action was informed by data from DIVER by Solve.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

CLIMATE VULNERABILITY SIGNALS

The results of our Climate.VS screener did not indicate an elevated risk for NYPA's Power Supply System.

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

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APPLICABLE CRITERIA

U.S. Public Power Rating Criteria (pub. 26 Feb 2026) (including rating assumption sensitivity)

U.S. Public Sector, Revenue-Supported Entities Rating Criteria (pub. 01 May 2026) (including rating assumption sensitivity)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

FAST Econometric API - Fitch Analytical Stress Test Model, v3.1.1 (1)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

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New York Power Authority (NY)	EU Endorsed, UK Endorsed

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