

2025 Integrated Report

POWERING A NEW ERA OF ENERGY AND OPPORTUNITY FOR NEW YORK

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01 INTRODUCTION

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About Our 2025 Integrated Report

A Message From the **Authority's Leadership**

New York is entering a pivotal chapter in its clean energy transition, and the New York Power Authority is playing a central role in building the reliable, affordable and sustainable power system our state needs.

Our strategic plan, VISION2030 Renewed, guided our work throughout 2025, to strengthen New York's grid, accelerate clean energy deployment, and support the communities we serve. These efforts reflect our mission as a public power provider and our responsibility to advance the state's energy goals.

In December 2025, our Board of Trustees approved the NYPA Renewables Updated Strategic Plan, consisting of approximately 5.5 gigawatts (GW) of solar, storage and wind projects—an increase from the 3 GW portfolio outlined earlier in the year. This plan represents one of the most ambitious renewable development efforts undertaken by a public power utility in the United States.

We also advanced shovel-ready opportunities and continued rigorous due diligence to ensure we deliver renewable energy projects that are technically and financially sound, while positioning these assets to benefit disadvantaged communities through initiatives such as our Renewable Energy Access and Community Help (REACH) program.

NYPA began foundational work on advanced nuclear energy to develop at least 1 GW of zero-emission baseload capacity in 2025. This emerging resource will play a critical role in grid stability, long-term affordability and reliability.

At the same time, we continued to modernize and expand New York's backbone transmission system. The Smart Path Connect project achieved major milestones, including energizing three new NYPA substations, advancing key transmission line tie-ins, and placing the first of two 345-kilovolt (kV) circuits in service, with final line work expected in 2026. When complete, these upgrades will relieve congestion, expand access to clean and affordable energy, and strengthen the resilience of the grid.

NYPA remains focused on controlling its costs and investing in transmission projects that deliver long-term congestion savings, helping shield customers from price volatility and strengthening our position as the state's lowest-cost energy provider.

In 2025, our clean, low-cost hydropower, customer energy-efficiency initiatives and electrification programs helped reduce energy costs. Our work for customers—including LED lighting upgrades, building improvements, and distributed solar—delivered measurable reductions in electricity use and strengthened system resilience during peak demand periods.

As part of our commitment to communities, the New York State Canal Corporation carried out initiatives that support regional economic vitality across the state. We celebrated the Erie Canal's bicentennial, underscoring the waterway's enduring role in shaping New York's cultural and economic identity. Building on that milestone, the Canal Corporation advanced long-term community and tourism goals through the Canal Recreationway 2050 Plan and continued investments that enhance accessibility and revitalize local economies.

We also strengthened the resilience of canal infrastructure through dam and embankment improvements and by deploying new monitoring and inspection technologies. Together, these efforts help preserve one of the state's most historic assets for all New Yorkers and the communities that rely on canal infrastructure for commerce and recreation.

Looking ahead, NYPA is preparing New York for a future of rising electricity demand—driven by transportation electrification, building decarbonization, and new industries requiring steady, reliable power.

NYPA's focus is clear: deliver on our commitment to reliable, affordable and sustainable energy for New Yorkers.

Together, we are building a cleaner, more resilient energy future for communities across the state.



John R. Koelmel
Chairman



Justin E. Driscoll
President & Chief Executive

The Authority **at a Glance**

The New York Power Authority (NYPA) provides clean, reliable and affordable electricity for New York State. NYPA's subsidiary, New York State Canal Corporation (Canals),[1] operates, maintains and promotes the New York State Canal System.

Assets

17 generation facilities

Approximately **1,565** circuit-miles of transmission lines

6,000 MW approximate total installed capacity

80% of total installed capacity from hydropower and pumped storage facilities

More than **100,000** acres of owned or managed land and water

524 miles of Canal waterways

150+ miles of the 424-mile Canalway Trail

Operations

19% of total energy generated in New York State

32% of carbon-free energy generated in New York State[2]

Customers

More than **1,170** power and energy services customers

- Large and small businesses
- Not-for-profit organizations
- Community-owned electric systems
- Rural electric cooperatives
- Government entities

Financials

$4.14B operating revenue

$11.72B total assets[3]



[1] Canals became a subsidiary of NYPA in 2017.

[2] NYPA's zero-emissions energy is hydropower. Statewide carbon-free energy resources include hydropower, wind, solar and nuclear. The 2023–24 Enacted State Budget authorized NYPA to build, own or operate new renewable energy facilities.

[3] Includes deferred outflows.

New York **Power Authority**

NYPA's mission is to lead the transition to a carbon-free, economically vibrant New York State through customer partnerships, innovative energy solutions, and the responsible supply of affordable, clean and reliable electricity.

The New York Power Authority was founded in 1931 and is the largest state electric utility in the United States. We own and operate two large hydropower generating facilities; one pumped storage project; two fossil fuel-powered generating facilities; seven small natural gas power plants (SNGPPs), including four two-generator units; four small hydroelectric facilities; and one utility-scale battery energy storage system. NYPA provides customers with low-cost electricity without receiving any tax money or recurring state financial credit.[1] In 2025, 84% of our power generation was clean, renewable hydropower, helping make New York State a national clean energy leader.

Our customers include municipal utilities and rural electric cooperatives; investor-owned utilities; high-load factor industrial customers; commercial/industrial and not-for-profit businesses; public entities; local towns, villages, school districts and fire departments; and neighboring states. We provide our customers with electricity and offer energy services to help them achieve their energy-efficiency, clean energy and electrification goals. Our low-cost, clean hydropower promotes economic development and together with power from market sources supports more than 450,000 jobs in New York State.

We continue to make strides in strengthening New York's energy landscape, driving the expansion of clean generation sources, such as nuclear and solar. This work will build on our efforts of the past decade to modernize our hydropower projects, ensure the state's continuous supply of carbon-free electricity, and expand New York's transmission system and more. Learn more on **our website**.

NYPA's Captive Insurance Company

In 2023, we formed the NYPA Captive Insurance Company (Captive), a wholly owned subsidiary of NYPA that provides coverage for risks not insurable in traditional commercial markets or that are prohibitively expensive to insure. Captive has created an efficient claims handling process that allows us to manage risks more effectively and reduce costs as we expand clean energy development. For more on Captive, see our 2025 Financial Statements.

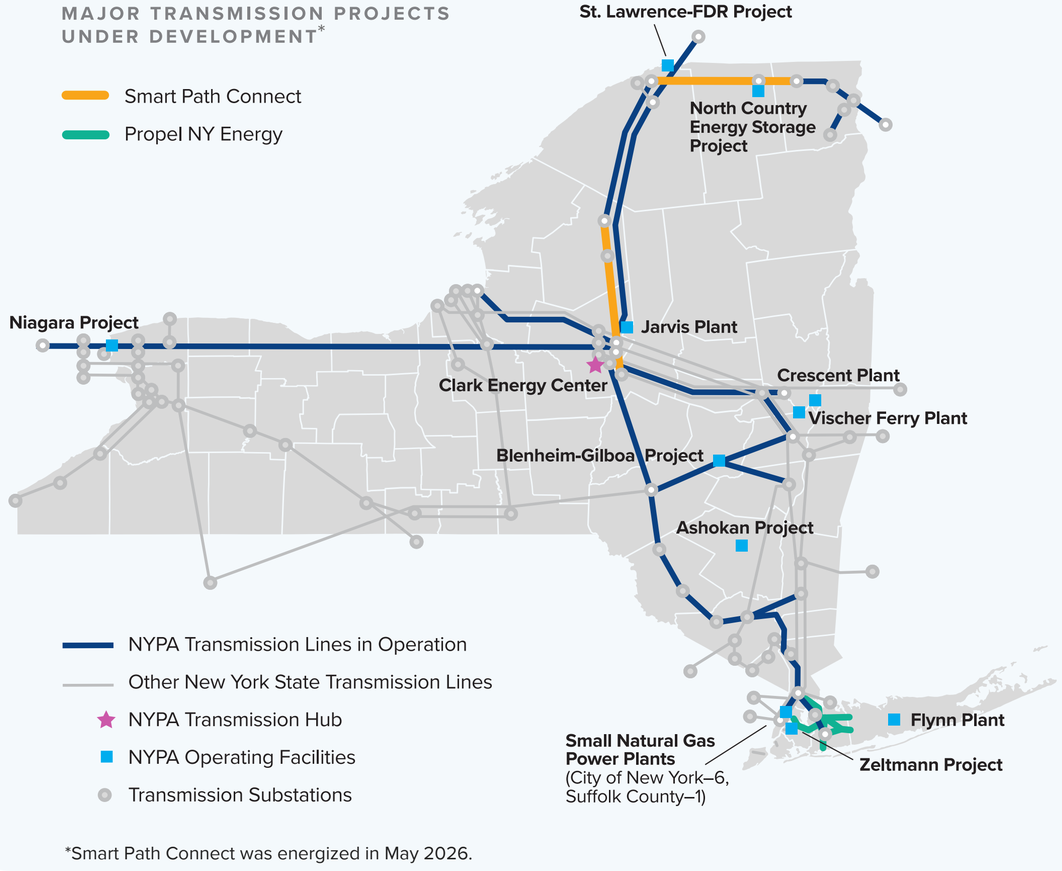
New York Renewable Energy Development Holdings Corporation

In November 2024, New York Renewable Energy Development Holdings Corporation (NYRED) was established as a wholly-owned subsidiary of NYPA to pursue renewable energy generation projects under NYPA's statutory authority to build new renewables. NYRED can develop new renewable generation while insulating NYPA from certain liabilities associated with renewables development.

[1] Canals receives state funding (see New York State Canal Corporation section on page 8). Further, the 2024–2025 Enacted State Budget created the Sustainable Future Program and appropriated "not less than $200,000,000 for renewable energy projects," which, if allocated, could provide a one-time infusion of state funding to expand NYPA's capacity to deliver renewable energy generation projects.

GROWING TRANSMISSION IN NEW YORK STATE

MAJOR TRANSMISSION PROJECTS UNDER DEVELOPMENT*



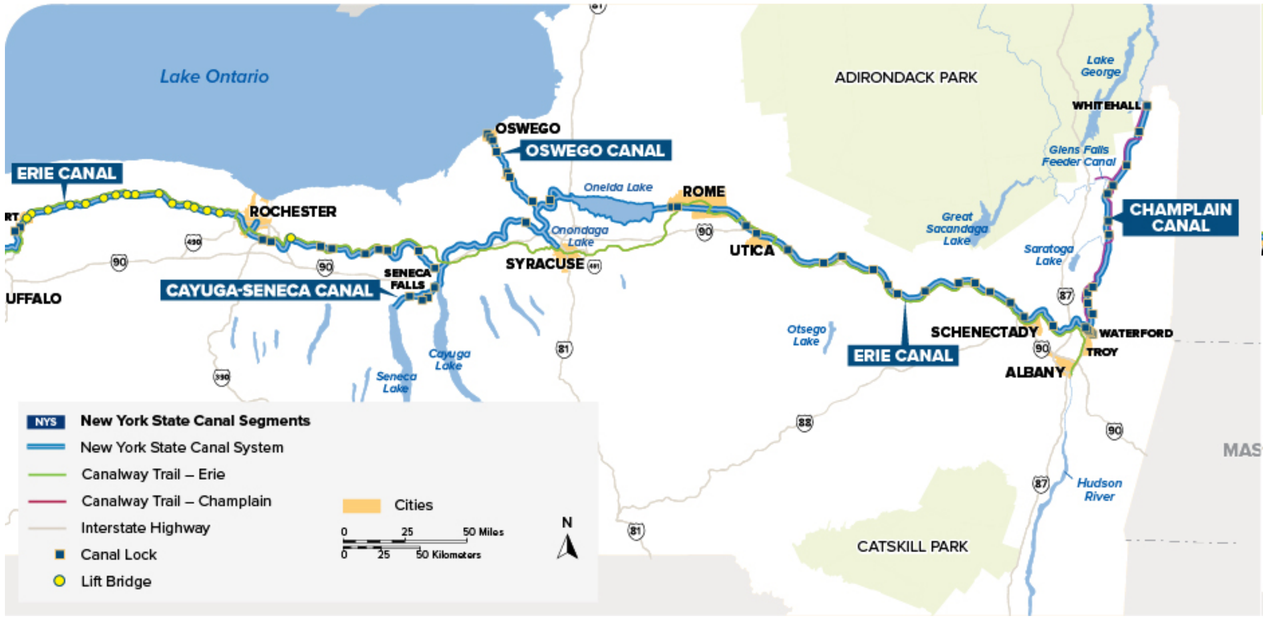
*Smart Path Connect was energized in May 2026.

New York State **Canal Corporation**

The mission of the New York State 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 promoting economic development throughout the canal corridor.

Canals, a wholly owned subsidiary of NYPA, operates, maintains and promotes the New York State Canal System, which includes the Erie, Champlain, Oswego and Cayuga-Seneca canals, and links the Hudson River with the Great Lakes, the Finger Lakes and Lake Champlain. It also includes 150 miles of the more than 424-mile Canalway Trail, which follows original towpaths running from Albany to Buffalo and from Albany to Whitehall.

Our Canals revitalization initiatives focus on strengthening the resilience of the canal system's historic infrastructure and conserving the natural environments in which the canals are located for generations to come. Learn more about our revitalization efforts on **our website**.

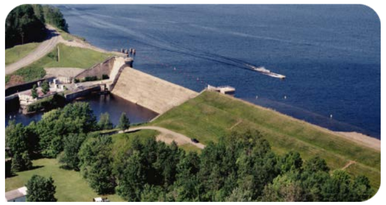


Canals Infrastructure



LOCKS

57 concrete chambers with gates on both sides that fill up with or release water to enable vessels to transit changing elevations.



EMBANKMENTS

More than 130 miles of water-impounding embankments carrying the canal above surrounding communities.



UPLAND DISPOSAL SITES

Upland disposal sites to store fill from dredging, ensuring navigable depth.



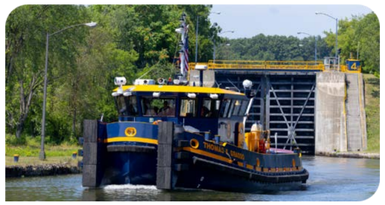
LIFT BRIDGES

16 lift bridges and more than 100 other types of bridges that carry traffic and pedestrians over the Erie Canal while providing clearance to allow transiting vessels to pass.



MOVABLE DAMS

Eight movable dams that artificially raise the water level of the Mohawk River to support navigation. In addition to movable dams, there are about 100 fixed dams.



VESSELS

More than 100 vessels for positioning buoys during navigation season, removing debris, moving large equipment and more.

Stakeholders

The Authority aims to establish strong stakeholder relationships built on trust. Through open dialogue and continuous engagement, we can better understand stakeholder needs and identify opportunities to address them. An in-depth assessment of the impact of the Authority's operations on our stakeholders and stakeholder expectations informs **VISION2030 Renewed**, our **material matters**, and our **Sustainability Plan**.

Key Stakeholder Groups

New York State

Public entities, offices and committees

- We support New York State's commitment to decarbonization, economic development, environmental stewardship and sustainability

Customers

Public entities, municipal and rural cooperative electric systems, non-profits and eligible private commercial and industrial organizations

- We generate reliable and affordable clean energy, maintaining low energy costs for public services (including hospitals, public housing and public transportation), promoting growth and competition for businesses and industries, and supporting local economies through customer job creation and retention

Employees

People who work at the Authority, including represented employees, non-represented employees and retirees

- We offer competitive wages and benefits to our employees and provide opportunities for career development and training
- We ensure our policies and practices promote equity, health, safety and well-being and work to establish fair contracts that support our unionized employees

Suppliers

Organizations that collaborate with us to provide materials, products and services for operating and maintaining assets and implementing capital projects

- We seek to increase our base of local and diverse suppliers while also strengthening small businesses and promoting environmentally

Communities

Communities that host the state's canals and our power generation and transmission facilities and operations, including community and environmental advocacy organizations in the areas where we work

- Our low-cost power helps create and retain jobs in New York State
- As part of our licensing agreements, we provide energy efficiency services and implement habitat improvement and recreation projects
- We provide communities with resources such as admission-free visitors centers, educational programs and career development opportunities that help foster a just transition to a clean power future
- We provide our communities with free outdoor educational adventures that can be enjoyed on and near the **canal system**

Bondholders

- NYPA issues bonds to finance certain capital expenditures. We maintain our Aa1/Aa3/AA/AA+ credit rating by adhering to covenants and reserve requirements, maintaining a strong financial profile, and making timely interest and principal payments on our obligations

Industry Partners

Partners that support clean energy development, research, innovation and advocacy

- The Authority drives transmission and renewables development and acts as a test bed for innovation. We collaborate with industry partners and share expertise and resources to help advance decarbonization and electrification

2025 **by the Numbers**

Drive the Clean Energy Transformation

84%
of electricity generated by hydropower and pumped storage facilities

$1.43B
investments in net plant hydropower generation, including modernization

20.6M
net megawatt hours (MWh) of hydropower generated

1,720,985
total metric tons carbon dioxide equivalent (CO_2e) Scope 1 emissions[1,2]

71,980
total metric tons CO_2e Scope 2 emissions[1,2]

5,237,760
total metric tons CO_2e reported Scope 3 emissions[1,3]

Revitalize the Canals

$106M
total capital invested in 2025 ($79.6M in capital and $26.7M in non-recurring capital)

11,127
visitors for tourism, recreation, and education (excluding trail users)

4.06M
number of trail users

65,735
vessels in canal traffic/lock-throughs

1,563
commercial vessels

117,798
total metric tons of commercial cargo

Lead Transmission Expansion

261
circuit-miles of transmission lines added

3
new substations energized

$2.99B
year-end net book value of transmission assets, including modernization and expansion

Partner with Customers & the State

28%
rate savings across all power supply customers[4]

$55.32B
cumulative economic development power customer capital commitments

450K+
cumulative economic development power customer job creation/retention commitments

$283M
in energy-efficiency projects implemented at governmental customer facilities

40,958
MWh conserved through governmental customer energy-efficiency projects

25,573
metric tons CO_2e avoided through governmental customer energy-efficiency projects

Supporting Our People and Communities

134,368
hours of training provided to employees[5] (regulatory, skill and developmental)

41%
female representation in executive leadership

24%
people of color (POC) representation in executive leadership

$20.35M
invested in workforce training

58%
of total spend with local suppliers

$126M
spend with minority- and women-owned businesses

For more on NYPA's strategic priorities and performance, refer to Performance & Outlook.

[1] Scopes 1, 2 and 3 emissions: The Climate Leadership and Community Protection Act (CLCPA) directs state entities to use 20-year Global Warming Potential (GWP) values from the Intergovernmental Panel on Climate Change Fifth Assessment Report (AR5; see page 3 in the New York State Department of Environmental Conservation (NYSDEC) 2025 Statewide GHG Emissions Report). Read the full Statement of Greenhouse Gas Emissions with Independent Accountants' Review Report (limited assurance, Scopes 1, 2, certain Scope 3 GHG emissions, and GHG intensities for the year ended 2025) thereon. Effective May 26, 2026, the CLCPA was amended to, among other things, direct state entities to use 100-year GWP values instead. Consistent with these amendments, future reports covering 2026 and beyond will use the 100-year GWP values.

[2] Scope 1 emissions: The New York Independent System Operator (NYISO) controls the dispatch of New York State generating assets to reliably serve all customers on a least-cost basis. NYPA's Scope 1 emissions fluctuate as our generating assets are selected for dispatch by the NYISO.

[3] Reported Scope 3 GHG emissions include purchased goods and services (category 1), capital goods (category 2), upstream fuel- and energy-related activities not included in Scope 1 or Scope 2 (category 3), employee business travel (category 6) and employee commuting (category 7).

[4] Savings relative to estimated applicable local supply and delivery rates.

[5] "Employees" refers to active permanent, provisional and temporary employees, full-time and part-time, unless otherwise indicated.

About Our **2025 Integrated Report**

This report provides an overview of the operations and activities carried out by NYPA and its subsidiaries: Canals, Captive and NYRED (collectively, the Authority) from Jan. 1, 2025, to Dec. 31, 2025. Sections 1-6 of the report apply the International Integrated Reporting Framework of the IFRS Foundation (<IR> Framework). These sections also aim to address the 10 material matters identified in the Authority's 2024 materiality assessment. Section 7 of the report presents the Authority's 2025 audited financial statements.

Basis of Preparation for Sections 1 to 6

The Authority's 2025 Integrated Report applies the latest version of the <IR> Framework (part of the IFRS which provides principles-based guidance for integrated reporting) and aims to align with the most recent Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) standards for electric utilities and power generators. Unless otherwise noted, this report and the data presented encompass the 2025 calendar year.

The report follows leading methodologies, such as those developed by the Greenhouse Gas Protocol (GHGP), the Climate Leadership and Community Protection Act (CLCPA) and the New York State Department of Environmental Conservation (NYSDEC). We are also compliant with Part 496 of the New York Code of Rules and Regulations.

Non-financial and Environmental, Social and Governance (ESG) data: The data in this report was collected by representatives from departments and facilities across the Authority. Estimations, exclusions and additions are noted where applicable. All disclosures are validated, reviewed and approved by the respective data owners, and approved by the Executive Management Committee (EMC). The Authority has obtained independent limited assurance for Scopes 1, 2 and certain disclosed Scope 3 greenhouse gas (GHG) emissions data but other nonfinancial information is not subject to audit by a third party.

About materiality: The terms "materiality" and "material matters" refer to matters identified in the Authority's 2024 materiality assessment as having the greatest potential impact on the organization and the greatest importance to our stakeholders. The Authority does not use materiality terms as they are used in securities laws or other laws in the U.S. or any other jurisdiction or as used in the context of financial statements and financial reporting. Reporting uncertainties: Nonfinancial information is subject to measurement uncertainties inherent in the methods used for determining such data. The selection of different but acceptable measurement techniques and estimations can result in materially different measurements. The precision of different measurement techniques may also vary.

Forward-looking statements: Some language in this report, including the message from the President and CEO, may contain statements that, to the extent they are not recitations of historical fact, may constitute "forward-looking statements." In this respect, the words "may," "will," "could," "should," "plan," "predict," "schedule," "estimate," "project," "anticipate," "expect," "intend," "believe," "potential," "continue" and similar expressions or terminology, and the negative of these terms, are intended to identify forward-looking statements.

Any such forward-looking statements are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Some of the factors that could cause actual results to differ materially are discussed in the Authority's Financial Report for the year ended Dec. 31, 2025, available in Section 7 of this report, and other reports filed with New York State, and include effects of pandemics, changes in economic conditions, mandates from other governments, reduced governmental allocations and various other events, conditions and circumstances, many of which are beyond the control of the Authority.

These forward-looking statements represent the Authority's expectations only as of the date of this report, and the Authority disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Authority's expectations with regard thereto or any change in events, conditions or circumstances.

Intended Use: Sections 1 to 6 of the 2025 Integrated Report were not prepared with a view to investment decisions by investors in any of NYPA's securities; Sections 1 to 6 of the 2025 Integrated Report are not suitable to serve as the basis for making any such investment decisions. Like other reports and documents posted on NYPA's website, Sections 1 to 6 are provided to interested stakeholders for general information only. NYPA makes no representation concerning the accuracy or completeness of the information contained in this Report for the purpose of making investment decisions. Investment decisions by investors in any of NYPA's securities should rely solely on the specific disclosure document prepared in connection with the applicable NYPA offering.

Abbreviations: The Power Authority of the State of New York (NYPA) is a corporate municipal instrumentality of the State of New York. NYPA has three subsidiaries: the New York State Canal Corporation (the Canal Corporation or Canals), NYPA Captive Insurance Company (Captive) and New York Renewable Energy Development Holdings Corporation (NYRED). In Sections 1-6 of this report, NYPA, the Canal Corporation, Captive, and NYRED are collectively referred to as "the Authority." References to organization-specific goals, strategies and programs are indicated where relevant.

02

GOVERNANCE

Maintaining Sound Governance

Sustainability Governance

Risk Management

Strengthening Our Governance

Maintaining **Sound Governance**

Our governance framework ensures that we operate effectively and hold ourselves accountable for our actions. We define roles and responsibilities at the Authority in accordance with New York State law and regulations, including the Public Authorities Law, the Public Authorities Accountability Act (2005), the Public Authority Reform Act (2009), and other laws applicable to the Authority. Our governance structure includes sustainability oversight and internal risk management controls that provide transparency and promote compliance.

Our Trustees and Directors

The New York Power Authority Board of Trustees and the New York State Canal Corporation Board of Directors oversee the governance practices of the organization. The same persons hold the offices for both boards and are responsible for decisions regarding financial structure, strategic plans, policies, performance and risk management, and authorize expenditures relating to implementation of our VISION2030 Renewed Strategic Plan. The members of the NYPA-Canal Board serve on the board for two additional subsidiaries: NYRED and Captive.

NYPA-Canal members are appointed by the New York Governor with the advice and consent of the New York State Senate. The members, who serve for staggered terms, are required to sign a public officer oath/affirmation, an Independent Board Member Status attestation and a Fiduciary Duties Acknowledgement. Within their first year of office, the members must complete the Public Authority Accountability Act training through the Authorities Budget Office. Board members are required to annually complete the New York State Ethics Financial Disclosure filing through the New York State Commission on Ethics and Lobbying in Government. NYPA-Canal also provides mandatory training in Ethics Codes of Conduct and Board Conflict of Interest Procedures.

Board Committees

The members serve on the following NYPA and Canals Joint Committees:

Finance Committee

The Finance Committee provides guidance to the members regarding financial matters, including the issuance of debt.

Governance Committee

The Governance Committee informs members of best governance practices, recommends updates to corporate governance principles, examines ethical and conflict of interest issues, and reviews and recommends revisions to bylaws.

Risk & Resiliency Committee

The Risk & Resiliency Committee assists members in fulfilling risk and resilience management oversight responsibilities. It ensures an active and robust dialogue about the most impactful risks to the Authority.

Audit Committee

The Audit Committee oversees the work of the Internal Audit Department and monitors internal and external audits as well as management's corrective action and implementation of plans for audit findings.



John R. Koelmel
Chairperson since 2012
Chair:
Finance Committee
Member:
Audit Committee,
Governance Committee,
Risk & Resiliency Committee



Michael J. Cusick
Board member since 2023
Member:
Finance Committee,
Audit Committee,
Risk & Resiliency Committee



Bethaida González
Board member since 2021
Chair:
Governance Committee
Member:
Finance Committee,
Risk & Resiliency Committee



Cecily L. Morris
Board member since 2023
Chair:
Risk & Resiliency Committee
Member:
Finance Committee,
Governance Committee



Dennis G. Trainor
Board member since 2017
Chair:
Audit Committee
Member:
Finance Committee,
Governance Committee



Lewis M. Warren, Jr.
Board member since 2023
Member:
Finance Committee,
Audit Committee,
Governance Committee



Laurie Wheelock
Board member since 2023
Member:
Finance Committee,
Audit Committee,
Risk & Resiliency Committee

Executive Management Committee

The Executive Management Committee (EMC) is led by the President and CEO. The EMC is responsible for driving the execution of our strategy, promoting a culture of accountability, and applying best practices across our operations.



Justin E. Driscoll
President and Chief Executive Officer
Since 2021



Joseph Kessler
Executive Vice President and Chief Operating Officer
Since 2016



Adam Barsky
Executive Vice President and Chief Financial Officer
Since 2019



Lori Alesio
Executive Vice President and General Counsel
Since 2021



Daniella Piper
Executive Vice President and Chief Innovation Officer
Since 2023



Alexis Harley
Senior Vice President and Chief Risk & Resiliency Officer
Since 2023



Charles Imohiosen
Senior Vice President, Communications and External Affairs
Since 2024



Robert Piascik
Senior Vice President and Chief Information and Technology Officer
Since 2018



Karina Saslow
Senior Vice President, Human Resources
Since 2022



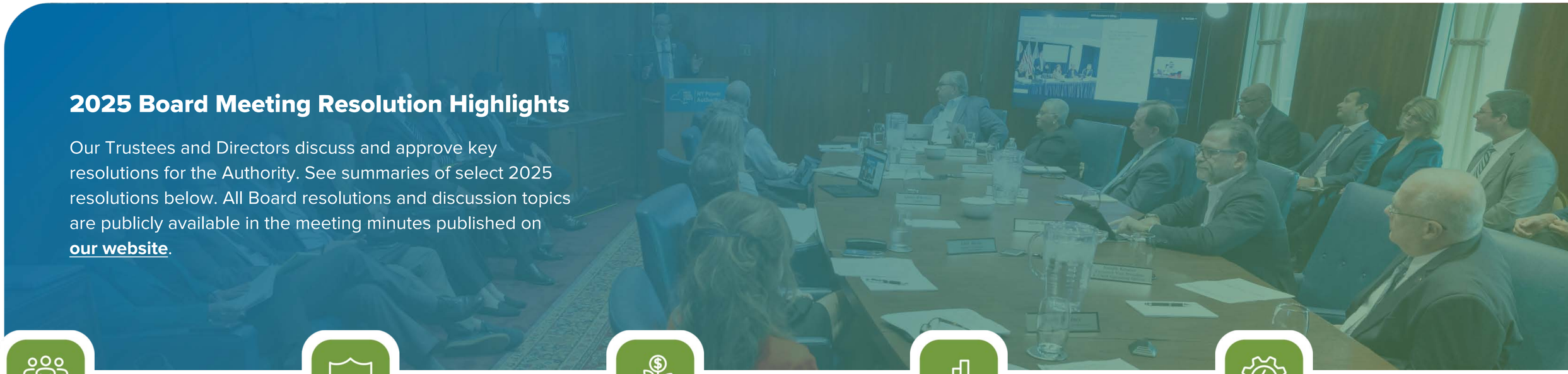
Paul DeMichele
Chief of Staff
Since 2025

Board of Trustees and Executive Management Committee Members Diversity Metrics

Female	Male	Age 30 – 50	Over age 50
41%	59%	24%	76%

2025 Board Meeting Resolution Highlights

Our Trustees and Directors discuss and approve key resolutions for the Authority. See summaries of select 2025 resolutions below. All Board resolutions and discussion topics are publicly available in the meeting minutes published on **our website**.



In January, NYPA's subsidiary, NYRED, held its inaugural board meeting and adopted its organizing resolution, advancing NYPA's strategy to plan, design, develop, finance, construct, own, operate, maintain and improve renewable energy-generating projects in New York State. NYRED will pursue projects independently or with other entities through the use of public-private agreements.

In March, the Board approved VISION2030 Renewed, updating the strategic plan originally adopted in 2020. The update consolidates renewables and decarbonization into a broader clean energy strategic priority alongside transmission, customer-centric decarbonization, and canals revitalization. NYPA renewed its strategy to reflect the evolving energy landscape and to strengthen performance, resilience and innovation in advancing New York's clean energy future.

In July, the Board authorized a $944 million, first-of-its-kind financing to prepay long-term renewable electricity under existing power purchase agreements (PPAs). The structure lowers cost by combining triple tax exemption (federal, state and local) with the Authority's low cost of borrowing, reducing the effective price of the contracted power. These financing-driven savings will translate into ~10% lower costs on the renewable PPAs, supporting customer affordability through lower power supply costs.

In December, the NYPA Board approved economic development awards that include more than 11 MW of low-cost ReCharge NY allocations to 29 firms and additional allocations under the regional Western New York Hydropower program. The Board also authorized over $1.6 million in grants from the Western and Northern New York Power Proceeds programs to further catalyze job creation and capital investment. Collectively, these actions are projected to spur over $127 million in private investment and support 4,249 jobs (including 158 new), with examples such as a nearly 4.3MW allocation to GM's Rochester facility tied to $40 million in upgrades and retention of 528 positions.

In December, the NYPA Board approved the 2026–2029 Capital Plan, with $3.2 billion allocated for Canal and enterprise investments such as buildings and transmission. The Board also commemorated the Erie Canal Bicentennial and the Canal Corporation's 2025 successes despite extreme weather, high water, and drought. Canal traffic increased in 2025 as the Canal Corporation advanced revitalization and water-control upgrades.

Sustainability **Governance**

Managing Our Impact Responsibly

We recognize the importance of strong governance in achieving our sustainability goals. The Authority's Sustainability Policy defines relevant planning, execution, monitoring and reporting responsibilities, and requires us to create long-term and annual action plans.

Oversight Structure



Board of Trustees and Board of Directors

Oversees sustainability policies, programs, performance and management of risks relating to sustainability and climate change.



Board Risk & Resiliency Committee

A committee of the board that advises trustees and directors on matters relating to risk and resilience, including sustainability.



Executive Management Committee

Sets strategic direction and upholds sustainability principles and commitments by applying best management practices across our operations.



Executive Risk & Resiliency Management Committee

A committee of the EMC that helps the board fulfil its risk and resilience management oversight and compliance responsibilities and monitors how the Authority manages sustainability programs and activities, including integrated reporting.



Sustainability Department

Leads the Sustainability Foundational Pillar of VISION2030 Renewed and provides strategic guidance, oversight, and reporting for sustainability-related performance, including climate change. Collaborates with senior leaders across the Authority to develop the Sustainability Plan and annual Integrated Report.

Risk **Management**

Risk Governance and Culture

The Authority faces a range of uncertainties due to the level and pace at which the energy industry is changing. In this dynamic environment, we seek to execute our strategy and meet regulatory directives in a manner that mitigates threats and increases opportunities for NYPA, Canals and our stakeholders. We employ a variety of risk management techniques to promote a resilient, safe and compliant culture with the understanding that we cannot eliminate or avoid all risks.

Our Risk and Resilience Policy and Risk Appetite Statements provide a common framework, consistent approach, and clear escalation path for addressing risks across the organization. Our programs are guided by the principles of the International Organization for Standardization (ISO) 31000 Risk Management and Committee of Sponsoring Organizations Enterprise Risk Management frameworks.

NYPA and Canals Risk Liaison Program

In April 2025, we launched a Risk Liaison Program. Nineteen employees representing diverse functions were selected to be in the inaugural cohort. The three-phase program, co-developed with HR, is designed to enhance leadership capabilities, increase risk management aptitude, and promote shared responsibility. The program fosters collaboration and enables liaisons to serve as a conduit between their respective departments and the Risk, Resilience and Sustainability groups.

Risk and Resilience Lifecycle

The Authority incorporates risk management and resilience strategies into our day-to-day operations and our long-term planning activities. We employ a consistent process across the organization that is designed to support risk-informed decision-making.

Identify

We use a variety of internal and external tools, such as workshops, interviews, benchmarking, surveys, and special working groups to identify risks.

Assess

We assess risk across multiple risk types (operational, asset, project and enterprise) using a standardized methodology that rates the likelihood and potential impact of each risk.

Respond

Our risk response plans typically seek to accept, avoid, transfer, share or mitigate risk through varying means such as internal controls, insurance, or partnerships.

Monitor

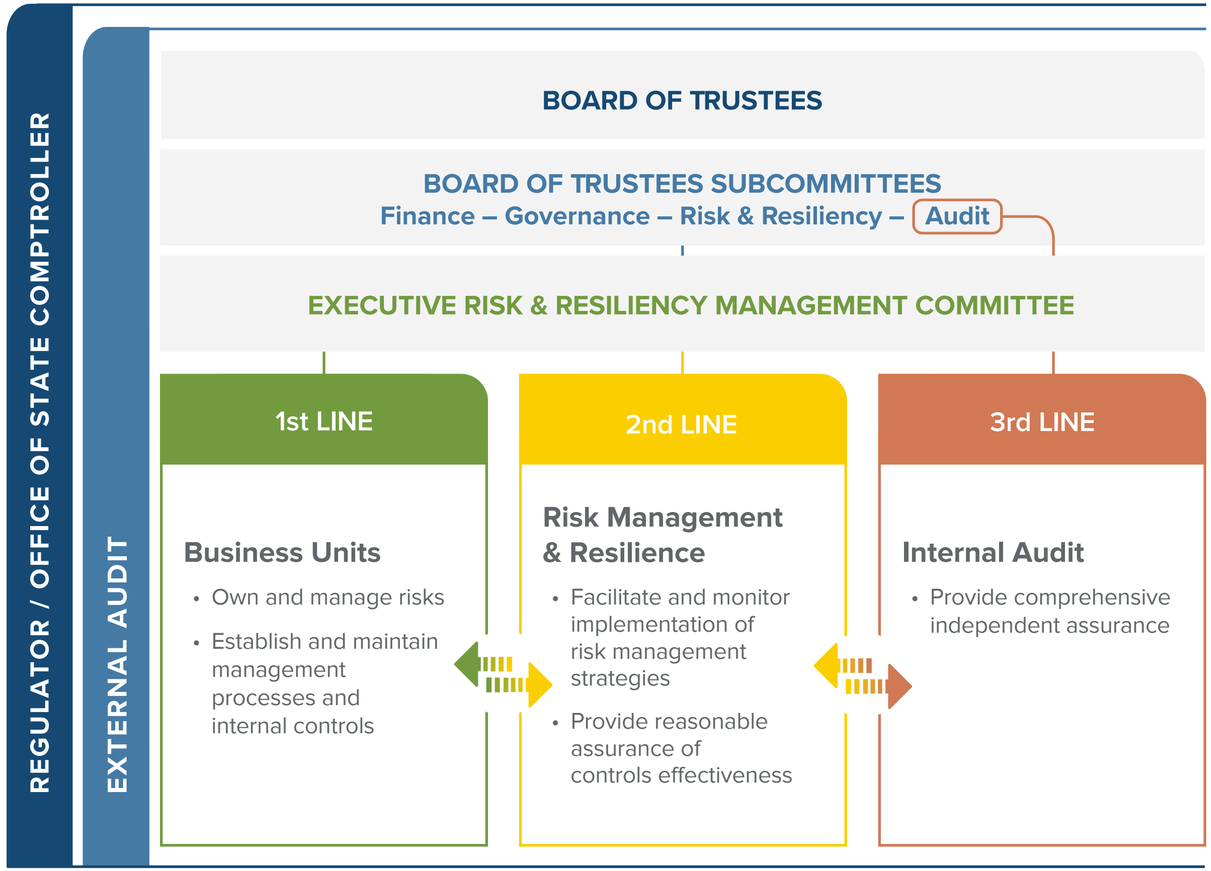
Through key risk metrics, audit reports and trends analysis, we gain visibility into shifts in our risk profile. We also scan the horizon to look for developing or emerging risk issues and maintain a holistic view of internal and external risk drivers.

Report

Comprehensive risk reporting provides leadership with visibility into opportunities while escalating risks that have the greatest potential impact and/or that are most likely to occur.

Three Lines Model

Three Lines Model is a best practice risk-governance model that establishes roles and responsibilities among business units, assurance functions and oversight bodies. NYPA's assurance functions provide a formal framework for managing risks, enhancing controls, supporting compliance monitoring, and contributing to continuous improvement initiatives. Regulators, Office of State Comptroller and external auditors serve as additional external and independent oversight bodies. This governance model helps us escalate risk information to the right people, at the right level, at the right time. Through this model, we promote risk management, resilience and compliance across all levels of the Authority.



Risk Management in Action: Mitigating and Addressing Cyber Security Risks and Threats

The Authority continuously monitors the maturity and performance of our cyber security program with a range of assessments and metrics, including an annual, external, independent assessment against the National Institute of Standards and Technology (NIST) Cyber Security Framework (CSF) 2.0 and the BitSight Security Rating. In the most recent BitSight assessment, NYPA and Canals averaged 752 out of 900, which is an advanced security rating indicating a strong security performance and lower security risk. NYPA provides comprehensive cyber security education and training for our internal teams to bolster incident response readiness and cyber security resilience. Additionally, we are enhancing the cyber security capabilities of our 51 electric municipal and cooperative customers by working with them to develop mutually beneficial initiatives. Our Cyber Collective Defense Consortium (CCDC) is building and protecting New York State's energy grid by focusing on three key initiatives:

Incident Response Readiness

We conduct incident response workshops and exercises for readiness to protect against, detect, and respond to cyber events.

Cyber Hygiene Assessments

We actively assess risks with our CCDC, federal, and state partners to identify, address, and consistently monitor emerging threats to New York's electricity sector.

Collective Defense

We develop, test, and execute field solutions for NYPA's municipal and cooperative customers, such as Advanced Intrusion Detection Systems for real-time threat detection and information sharing.

Risk Assessment

All business units participate in a biannual risk-assessment process. The results are consolidated into a risk profile that is shared with all levels of the organization. Executive leadership reviews the profile against the Authority's risk exposure and risk appetite, then discusses the results with the Board of Trustees and its Risk & Resiliency Committee.

The assessment includes a review of key information sources such as metrics, risk drivers, insurance, internal audit results, internal business controls and operational risks. This helps ensure that our risk impact and likelihood scoring reflect current conditions and risk exposures are aligned with our risk appetite.

In 2025, one of the key drivers identified throughout the risk assessment process was regulatory and legislative uncertainty. In response to a rapidly shifting risk landscape, the Authority leveraged its emerging risk process and existing risk governance structure and formed a special, cross-functional working group designed to qualitatively and quantitively capture the potential impacts of movements in federal and state regulatory and legislative environments. The working group used varied scenario analyses and tracked developments to determine possible impacts, focusing on areas such as supply chain, customers and projects. In doing so, leadership was given the opportunity to further Authority resiliency by employing actionable response plans to scenario analysis outcomes.

Risk Appetite

Risk appetite[1] is fundamental in guiding our decision-making processes and ensuring that we maintain a balanced approach between risk and reward. Our Risk Appetite Statements set forth the level of appetite agreed to by leadership for each of our major risk categories. The Authority maintains separate and distinct Risk Appetite Statements for NYPA and Canals.

In 2025, we conducted a comprehensive stakeholder engagement process to reassess our risk appetite concurrent with the refresh of our strategy. When we reviewed the Risk Appetite Statements in the context of VISION2030 Renewed, we decided to adjust certain risk appetite ranges to more accurately reflect the amount of risk tolerance warranted by our evolved strategy. We also separated the single "Supply Chain and Third Party" category into two separate categories. These and other changes were made after extensive socialization and approval by the executive leadership team. The adjustments help us fine-tune our mitigations and strengthen our risk profile.



The Authority's risk-scoring methodology integrates exposures with responses to enable us to see how our risk profile aligns to our risk appetite. This provides decision-makers with a holistic view that helps inform next steps.

[1] Our Enterprise Risk Management Policy defines risk appetite as "the amount of risk or opportunities the Authority is willing to accept in pursuit of its mission." This includes factors that could enhance or threaten the likelihood the Authority will achieve its business and/or strategic objectives.

[2] Diversity, equity, inclusion and accessibility.

Our Risk Appetite Categories

- FINANCIAL CAPACITY AND AVAILABILITY OF CAPITAL
- CYBER, DATA, AND PHYSICAL SECURITY
- NEW VENTURE AND STRATEGIC INITIATIVE
- JOINT VENTURES AND PARTNERSHIPS
- SUPPLY CHAIN
- TALENT MANAGEMENT AND LABOR RELATIONS
- LEGAL, REGULATORY AND COMPLIANCE
- EXTREME WEATHER
- OPERATIONS
- SAFETY
- ESG AND DEIA[2]

Driving a Compliance Culture

The EMC and the Board of Trustees' Audit, Governance, Risk & Resiliency, and Finance committees oversee matters related to compliance and controls. Key elements of our compliance framework are described below.

Code of Conduct and Anti-Retaliation Policy

The Authority's Code of Conduct identifies expectations for responsible and professional workplace conduct aligned with the New York State Public Officers Law. Our Anti-Retaliation Policy prohibits harassment, discrimination and retaliation of any kind against employees who report or assist in the investigation of unethical behavior. These organization-wide policies are supported by department level policies and procedures that promote ethical conduct. Our Code of Conduct and Anti-Retaliation Policy apply to all employees and the Board of Trustees, and are approved by our trustees.

Allegations of violations of these policies and other governance standards may be reported through the appropriate channels provided internally by NYPA and externally by federal, state and local oversight bodies. We are continuously seeking to improve. As part of that process, our policies are reviewed regularly and corrective actions are implemented on a regular basis.

Ethics and Compliance Processes and Training

We foster compliance with statutory and regulatory requirements through training, skill development and management courses, and catalog and monitor mandatory employee reporting and training obligations. Our Compliance Repository plays a critical role in NYPA's Corporate Compliance Program by enabling the Ethics and Compliance Office to inventory and track approximately 400 statutory and regulatory mandated reporting and training activities.

In 2025, the Authority developed a committee governance framework and established policies and procedures to ensure committees are consistently structured and engage through approved charters.

Committees are formed to execute EMC objectives and are overseen by executive sponsors. A Committee Central site that contains a repository of committee resources has been created on our intranet to guide committees.



All trustees and employees receive annual mandatory ethics training and certify each year to having reviewed the Code of Conduct. The trustees also certify annually to having reviewed and acknowledged the Board Conflict of Interest Procedure. The training includes guidance to deter bribery, conflicts of interest, corruption, fraud, waste and abuse in state government. Trustees and employees are instructed on restrictions involving conflicts of interest, nepotism, outside activities, securities ownership and prohibitions against soliciting or accepting gifts intended as a gratuity for carrying out official duties or an inducement to perform official acts.

All allegations of wrongdoing are investigated either internally or in conjunction with external authorities. There are various channels available for reporting allegations or complaints, including the Ethics and Compliance Office, the Human Resources Employee Relations Unit, the Office of Civil Rights & Inclusion, and the outsourced Employee Concerns hotline and web-based platform. Individuals who report allegations and participate in investigations are protected from discrimination, harassment and retaliation in accordance with applicable laws and policies. We collaborate with the state Office of the Inspector General and the state Commission on Ethics and Lobbying in Government on complaints and investigations within their respective jurisdictions.

Regulatory Management

The Authority works closely with regulatory agencies to ensure compliance with all relevant laws and regulations. We participate in and monitor federal and state statutory and regulatory proceedings. We believe that staying informed and engaged with the latest regulations is essential to maintaining the highest levels of compliance, integrity and transparency.



Strengthening **Our Governance**

The Authority is strengthening enterprise governance by improving investment evaluation, modernizing core enterprise systems, embracing emerging technologies, and using a sustained, risk-based asset management approach.

The Authority operates a standardized, stage-gated portfolio governance process to support disciplined project and portfolio delivery. Through our enhanced portfolio, program and project management (P3M) governance, and business-casing framework, investments are evaluated using consistent criteria, including strategic alignment, business and customer impact, financial value, risk mitigation, cost and schedule and delivery complexity.

Governance bodies authorize funding progressively through lifecycle gates and approve total project cost envelopes at the portfolio level. This approach strengthens transparency, affordability and enterprise alignment, directing resources to the highest-value and highest-impact investments.

Technology Innovation: Artificial Intelligence (AI)

NYPA is establishing an AI & Automation Center of Excellence (CoE) to guide responsible AI adoption through clear strategy, governance guardrails, and standardized processes for managing AI use cases. Aligned with VISION2030 Renewed, the CoE promotes innovation, operational efficiency, and responsible scaling of emerging technologies while preparing the workforce through training and unified governance.

ISO 55001 Certification

NYPA is a global leader in asset management and has re-certified its asset management system to the newest ISO 55001:2024 standard, becoming the first electric utility in North America to do so. Passing this rigorous audit is a major milestone and is a testament to NYPA's asset management framework. The framework helps NYPA meet business goals, optimize the cost, risk and performance of assets and build stakeholder confidence.

Disciplined asset management enables an organization to achieve important operational and financial goals across an asset’s whole lifecycle, such as reducing the cost of its capital and operations while improving risk management and environmental compliance. It also provides a methodology and mindset for achieving continual improvement—a critically important goal for a utility.

Enterprise Resource Planning Investment

Project Luminate, our Enterprise Resource Planning (ERP) modernization effort, aims to upgrade the systems we use for business processes such as financial management, purchasing and human resources. Having a comprehensive view of our business operations enables better visibility and greater control over resources and processes. In the target state, the new ERP system will significantly enhance automation and operational efficiency, optimize data management and security protocols, and substantially improve stakeholder satisfaction and user experience.

03

STRATEGY & VALUE CREATION

Our Operating Landscape

VISION2030 Renewed

Integrating Sustainability

Understanding Our Value Creation Process

Our **Operating Landscape**

The New York Power Authority generates approximately 20% of New York State's electricity and operates about one-third of its high-voltage transmission system. Our 17 generating facilities total 6 gigawatts of capacity—80% from emissions-free power—and include hydroelectric, natural gas, and energy storage. Beyond generation and transmission, NYPA provides clean energy programs and energy efficiency services that help our customers manage their energy costs and meet their sustainability goals. The New York State Canal Corporation, a subsidiary of the New York Power Authority, manages waterways, trails and supporting infrastructure and helps promote regional economic development and outdoor recreation.

The Energy and Policy Context

Statewide electricity demand is projected to increase by 50% to 90% over the next two decades. This growth is driven by the electrification of heating and transportation, as well as the expansion of energy-intensive industries, such as artificial intelligence and advanced manufacturing (*New York Independent System Operator (NYISO) 20-year System & Resource Outlook, 2024*). These needs are increasing pressure on the electric grid and reinforcing the case for continued investment in clean generation, efficient transmission infrastructure, and grid modernization to ensure that electricity supply can meet demand in a reliable, cost-effective manner.

At the same time, the pace of clean energy deployment has been challenged by evolving policy and market conditions. In 2025, renewable energy development faced a more complex investment environment due to federal policy changes, including tariffs; accelerated sunset of tax credits for wind and solar projects provided under the Inflation Reduction Act; denial of permits for wind generation; and new supply chain directives that included domestic content provisions.

Nationwide, portions of the clean power development pipeline slowed due to tax-incentive uncertainty, rising capital costs, and challenges securing long-term electricity off-take agreements (*Clean Energy Outlook Report, 2025)*.

In the face of rising demand and an economy dependent on stable energy supplies, maintaining reliability remains the highest priority for New York's power system. In its Q3 2025 Short-Term Assessment of Reliability (STAR), the NYISO identified emerging reliability risks in the downstate region, particularly in New York City between 2026 and 2030. Key drivers include rapid large-load growth, an aging generation fleet and few additions of new dispatchable generation resources.

These dynamics directly impact long-term electricity affordability and reliability. If electricity demand grows more rapidly than transmission infrastructure can be developed and new generation can be integrated into the grid, customers may face greater exposure to wholesale electricity price volatility. Recent volatility in fossil fuel prices and inflation further underscore the importance of building, operating and maintaining a resilient and diversified energy system.



Addressing the Challenges

New York State has championed an “all of the above” energy strategy focused on system reliability and affordability while continuing to expand clean energy resources.

Maintaining Reliability

Under the 2023-24 State Budget, NYPA was directed to end fossil fuel-based electricity generation at its Small Natural Gas Power Plants (SNGPPs) by the end of 2030 if the plants are not needed for reliability or emergency power, as determined by the NYISO and Consolidated Edison. Prior to taking steps to deactivate these plants, it must be determined that the plants are not needed for reliability both statewide and in New York City. If the plants are required in order to meet the state’s reliability needs, NYPA may continue to operate them until other projects are completed to meet the reliability need.

NYPA must also evaluate the emissions impacts of plant deactivation. Specifically, the Authority is required to assess whether retiring NYPA plants—individually or in groups—would result in more than a de minimis increase in greenhouse gas emissions or air pollutants that harm human health, particularly in disadvantaged communities. NYPA must guard against the possibility that deactivation could increase emissions in disadvantaged communities as NYPA’s facilities are more efficient and less polluting than older plants that would operate more frequently to meet electricity demand in their absence. NYPA is working with the NYISO to conduct reliability and emissions impact assessments and is engaging with affected communities.

Renewable Generation Development

The creation of NYRED, the Authority's subsidiary to carry out its renewable energy business and strategy, established the governance, financing and risk-management structure needed to support large-scale and distribution-scale renewable deployment, including improved access to external capital.

In 2025, NYPA signed a memorandum of understanding with the New York State Building and Construction Trades Council to ensure that project labor agreements are in place for renewable projects. These agreements for the construction of NYPA’s renewable portfolio will create good paying, family-sustaining union jobs. Together, these efforts positioned NYPA to execute its renewable energy mandate.



In January 2025, NYPA also published its inaugural **Renewable Strategic Plan**, which included 3 GW of generating capacity. In December 2025, the plan was updated to include a total capacity of 5.5 GW of solar, storage and wind energy resources.

NYPA is moving quickly to advance shovel-ready opportunities and secure federal tax credits while maintaining rigorous technical, permitting and financial due diligence on all projects. This includes evaluating how NYPA’s self-led projects can contribute to the Renewable Energy Access and Community Help (REACH) program, an initiative to provide electric bill credits to low-income households in disadvantaged communities.

Grid Resilience and Affordability

As electricity demand grows and intermittent renewable resources play a larger role, dependable, always-available power becomes increasingly critical to ensure grid stability and avoid price volatility.

Strengthening the transmission system is essential to delivering reliable and cost-effective power. As the operator of approximately one-third of the state’s high-voltage transmission backbone, **NYPA is advancing projects** to upgrade New York’s aging power grid, alleviate bottlenecks and increase transfer capabilities. Expanding and enhancing transmission capacity can help relieve congestion, integrate new generation resources, and deliver lower-cost energy to high-demand regions.

Affordability is a top priority for NYPA. Transmission upgrades can provide substantial congestion savings and increase access to clean power. We are maintaining our competitive position as a low-cost provider by continuing to invest in projects designed to realize future cost savings, controlling operating expenses, and digitizing operations. The Authority also supports electricity affordability by delivering **low-cost hydropower** and providing **energy efficiency and electrification services** that lower overall customer energy use.

Revitalizing Our Waterways

The New York State Canal System is comprised of 524 miles of inland waterways and more than 150 miles of recreational trails. Maintaining and revitalizing the canal system presents unique challenges, including aging infrastructure, evolving climate and water management issues, and the balancing of safe operations with public access and community use.

In 2025, we commemorated the **Erie Canal Bicentennial**. To keep the canal system viable for the next 200 years, significant work is required to protect the water-impounding structures and neighboring communities, as well as surrounding ecosystems. The Canal Corporation is advancing high priority infrastructure preservation and enhancement work, supported by appropriations from the past two Enacted State Budgets as well as contributions from NYPA, setting the foundation for long-term success. The **Canal Recreationway 2050 Plan**, released in 2025, establishes a vision for the future of tourism, recreation, and accessibility for the canal system.

VISION2030 **Renewed**

Our strategy positions us to effectively respond to an evolving operating landscape and support New York's clean energy future. VISION2030 Renewed was approved by the Trustees in March 2025 and presents a strategic commitment over the next five years to accelerate New York State's clean energy transition, modernize transmission, deepen customer partnerships, and revitalize the canal system. Central to VISION2030 Renewed are the Authority's Strategic Priorities and Foundational Pillars. For more on VISION2030 Renewed and NYPA's strategic priorities and foundational pillars, refer to **VISION2030 Renewed**.

Strategic Priorities



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



Revitalize the New York State **CANAL** System

Foundational Pillars



Uplift our **PEOPLE** and live our **VALUES**



Support the diverse needs of the **COMMUNITIES** in which we operate



Build an **INNOVATION** ecosystem that accelerates customer and grid decarbonization



Integrate **SUSTAINABILITY** into how we operate to drive value



Strengthen our **RESILIENCE** for long-term viability

VISION2030 Renewed **Goals and Targets**

Strategic Priorities

Drive the **CLEAN ENERGY** transformation through emissions-free generation

- Deploy additional emissions-free generation
- Maintain hydropower's contribution to the grid by generating at least 21 terawatt-hours (TWh) of carbon-free electricity annually, providing capacity and critical ancillary services
- Reduce emissions from generation from our small natural gas power plants in New York City and Long Island by 2030, provided certain public health and reliability conditions are met[1]
- Enable 450 MW of storage projects by 2030

Be the leading **TRANSMISSION** developer, owner, and operator for New York State

- Facilitate $200-$400 million of annual transmission investment by 2030
- Achieve top quartile operations and maintenance efficiency in transmission
- Maintain reliable operations of NYPA's transmission network

Enable **CUSTOMERS** to achieve their decarbonization goals

- Support customers as they seek to achieve 70% renewable energy by 2030
- Support 40% customer GHG reduction by 2030

Revitalize the New York State **CANAL** System

- Reduce system downtime/improve system resilience
- Improve public safety
- Enhance consistency of trailway and system signage
- Increase trail and canal usage

Foundational Pillars

Uplift Our **PEOPLE** and live our **VALUES**

- Empower individuals through exposure and experiences that enhance critical skills and drive career growth
- Establish a robust and diverse talent pipeline to support organizational performance and resilience
- Bring our values to life through the creation of an inclusive, diverse, equitable and safety-first culture

Support the diverse needs of the **COMMUNITIES** in which we operate

- Be a trusted adviser and partner in the energy transition across New York State
- Advance clean energy projects and workforce development in disadvantaged communities
- Enable diverse and local suppliers to participate in the transformative clean energy transition
- Provide pathways to energy careers in historically underserved and other impacted communities

Build an **INNOVATION** ecosystem that accelerates customer and grid decarbonization

- Foster a culture of innovation to capture value-creation opportunities
- Drive growth and accelerate the deployment of decarbonization solutions
- Drive performance and resilience through the adoption of innovative technologies and business practices

Integrate **SUSTAINABILITY** into how we operate to drive value

- Reduce GHG emissions and adapt to the impacts of climate change
- Promote a circular economy approach to resource management
- Preserve and enhance ecosystems and biodiversity
- Work with stakeholders to achieve shared goals and promote a just transition

Strengthen our **RESILIENCE** for long-term viability

- Recognize and respond to trends and changes in our operating environment
- Consider and act on resilience needs and priorities across all levels to improve our resilience posture
- Confirm response processes address interconnected scenarios and are adaptable to an uncertain future
- Ensure the organization has the capacity and capability to swiftly and effectively recover from disruptions

[1] Detailed small natural gas power plants environmental, emergency power, and reliability conditions can be found in the legislation, PAL § 1005 (27-c).

Integrating **Sustainability**

The Sustainability foundational pillar of VISION2030 Renewed centers on four commitments, which in turn form the basis of our Sustainability Plan. These commitments are interconnected, interdependent, and intentionally intersect with VISION2030 Renewed priority and pillar goals. They align with our material matters and the UN Sustainable Development Goals.



VISION2030 Renewed Sustainability Commitments

1. **Reduce GHG emissions and adapt to the impacts of climate change**
2. **Promote a circular economy approach to resource management**
3. **Preserve and enhance ecosystems and biodiversity**
4. **Work with stakeholders to achieve shared goals and promote a just transition**

United Nations Sustainable Development Goals

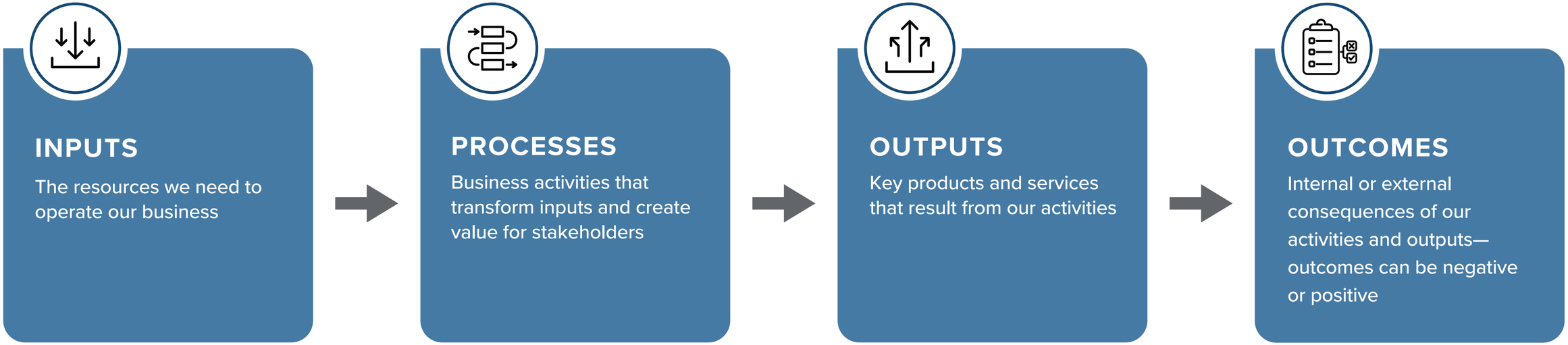
The United Nations Sustainable Development Goals (SDGs) are 17 interlinked global goals created to achieve a more sustainable and equitable future for all. The Authority's efforts most closely align with and support the six goals identified here. We consider alignment with these goals as we work to deliver on our commitments.



Understanding Our **Value Creation Process**

The Authority applies the Integrated Reporting <IR> Framework to assess and communicate how our business model, strategies and activities create, preserve and erode value. By assessing opportunities, risks and trade-offs across resources or capitals financial, manufactured, intellectual, human, social and natural we can optimize value creation for our stakeholders over the long term. The Value Creation Model on the next page follows the Integrated Reporting <IR> Framework and provides a summary of our inputs, business activities, outputs and outcomes for 2025.

The Value Creation Framework



Our 2025 **Value Creation Model**

CAPITALS	INPUTS		PROCESSES	OUTPUTS
Financial Funds available for use in production of goods and services	• Internally generated funds • Debt raised • Grants received	• State and federal funding • Tax credits		
Manufactured Physical infrastructure and equipment	• 17 power generation facilities • Approx. 1,565 circuit-miles of transmission lines • Substations • 4 visitors centers	• 249 EV chargers and 226 light-duty electric vehicles across NYPA and Canals • Admin/support buildings and IT infrastructure		
Intellectual Knowledge-based intangibles including IP, systems and brand	• Over $10.2 million in R&D investments • Strategies, policies, programs • Information technology/software • 4,828 knowledge assets codified	• Brand and reputation • Management and control systems • Integrated risk management • Project management		
Human People's competencies, capabilities and motivation	• 2,818 employees • Diverse workforce • Health and safety policies • Employee career development • Employee skills and expertise	• 134,368 total hours employee training • Recruiting policies • Diverse recruitment outreach		
Social Relationships with communities, customers and stakeholders	• 1,170 customers • Partnerships with New York State entities • Relationships with communities • 2,007 suppliers	• Collaboration with utility, research and industry organizations • Relationships with non-profits		
Natural Environmental resources and processes that support the organization	• 3T kL water withdrawn and 6.7M kL water consumed • 47.5M MMBTU natural gas and 1.4M MMBTU ULSD consumed for power generation (include certified gas procured) • 100,000+ acres of owned or managed land and water	• 524 miles of canal waterways • 423,698 MMBTU total energy consumed by NYPA operations • Renewable energy resources and biodiversity • 150+ miles Canals-owned and maintained trails		



Products

- 24.7 terawatt hours total net electricity generated
- 20.64 terawatt hours electricity generated by hydropower and pumped storage facilities
- 36.79 terawatt hours electricity delivered

Services

- 65,735 canal vessels
- 117,798 total metric tons of commercial cargo transported
- 11,127 canal visitors (excluding trail users)
- 4,056,862 canal trail users
- 25,573 total metric tons customers' avoided GHG emissions

Emissions & Waste

- 1,720,985 total metric tons CO2e Scope 1
- 71,980 total metric tons CO2e Scope 2 (market-based)
- 5,237,760 total metric tons CO2e Scope 3
- 161,185 kg NOx
- 9,455 kg SOx
- 32,875 kg total particulate matter (unspeciated)
- 10.21 total metric tons hazardous waste generated

Our 2025 **Value Creation Model**

CAPITALS		OUTCOMES	
Financial Funds available for use in production of goods and services	Power sales, transmission and delivery, our principal source of operating revenue, generated over $4.14 billion in 2025, delivering positive internal value.	• $104 million in investment income • $749 million EBIDA[1] • $948 million in addition to capital assets • Predictable cash flow	• Upgrade by credit rating agencies • Relicensing grants to communities[2]
Manufactured Physical infrastructure and equipment	We continued investing in the development and resilience of our assets, focusing on transmission and launching new renewable energy projects statewide.	• Increased integration of renewable energy • Improved efficiency, resilience and reliability of generation assets • Hardening of existing and development of new transmission assets	• Planning for the acquisition and development of new renewable energy generating projects • Electrification of vehicles; energy efficient buildings • Transmission congestion reduction
Intellectual Knowledge-based intangibles including IP, systems and brand	We enhanced intellectual capital through innovation, digitalization, and collaborative research on energy technologies, strengthening project delivery and increasing our social and relationship capital.	• Innovative solutions that improved the safety, reliability and resilience of electricity generation and transmission • Strengthened customer project delivery	• Enhanced reputation as “trusted advisor” • Increased efficiency of systems and processes
Human People's competencies, capabilities and motivation	We continued to increase value for employees by offering competitive wages, benefits, career opportunities and diversity programs. We also prioritized health and safety.	• Enhanced diversity recruitment • Prioritized employee health and safety • Upskilled workforce • $491 million in employee benefits	• 26% NYPA and 91% Canals employees represented by unions • Workforce training • Increased competition for skilled employees
Social Relationships with communities, customers and stakeholders	We strengthened our social capital by supporting customers and local communities with programs that drive economic growth and employment, customer decarbonization, and workforce development.	• Support for customer priorities • Community revitalization • 58% local supplier spend	• $126 million spent with Minority- and Women-Owned Business Enterprise • Engagement on development projects
Natural Environmental resources and processes that support the organization	On-going efforts to modernize our hydropower assets, expand transmission, and further develop our renewable energy strategy contributed to increased protection and preservation of natural capital.	• 2,674 billion kL of water recycled and reused • Water management including flood mitigation • Natural carbon sequestration and storage	• 5,081 acres of wildlife habitat protected, restored or impacted • Site remediation • Reduction in gross Scope 1, 2, 3 emissions and air pollutants

[1] EBIDA represents net income (loss) before interest expense, depreciation and amortization and is a non-GAAP financial measure.

[2] Such relicensing grants are only for the Niagara, St. Lawrence-FDR and Blenheim-Gilboa hydroelectric plants.

04

PERFORMANCE & OUTLOOK

Drive the Clean Energy Transformation

Lead Transmission Expansion

Partner With Our Customers

Revitalize the Canal System

Support Our People and Communities

Looking Forward

1

STRATEGIC PRIORITY

Drive the Clean Energy Transformation

Drive the **Clean Energy Transformation**

NYPA is positioned to support New York's clean energy future while helping maintain grid reliability and affordability.

More than 80% of the electricity we generate comes from clean, reliable hydropower, which produces on average 21 terawatt hours (TWh)[1] annually while also providing grid resilience services. We continue to enhance the value of our hydropower assets through comprehensive reliability and efficiency upgrades. In 2025, we reached a significant milestone in the Next Generation Niagara modernization program, advanced ongoing repair and upgrade work at our St. Lawrence-FDR Power Project, and delivered exceptional performance at our Blenheim-Gilboa Pumped Storage Power Project.

To help New York address rising energy demand, we are expanding our portfolio of emissions-free generation with solar, battery storage and advanced nuclear technologies. Our Updated Renewables Strategic Plan, approved in December 2025, details our strategy to build clean energy projects that strengthen grid resilience and address growing demand. In 2025, we acquired our first NYPA-owned solar project under that plan and also launched early-stage exploration of advanced nuclear power in upstate New York.

In addition to modernizing hydropower assets and advancing renewables, we made progress across other key areas such as building efficiency, fleet electrification, and emerging clean energy technologies that span a range of end-use applications.



[1] A terawatt hour is a unit of energy equal to one trillion watt-hours, equivalent to powering 1,000 homes for 114 years.

Enhancing the Value of Hydropower through Modernization

NYPA's hydro-generating facilities support a reliable, affordable and cleaner grid by providing baseload electricity. NYPA is investing in optimizing its hydropower operations as a flexible yet consistent resource that not only supports the needs of the grid but enables us to maintain our steadfast commitments to our customers.

Next Generation Niagara

Next Generation Niagara is the largest capital program in NYPA's history and a key element of our strategy to drive the clean energy transformation. The multi-year, $1 billion-plus modernization and digitalization program will improve the reliability and operational efficiency of the Niagara Power Project by replacing equipment in need of upgrades and extending the life of current assets. It will also incorporate advanced technologies, such as sensors and digital control systems, to monitor and optimize Niagara's performance.

In 2025, we reached a major project milestone with the overhaul of the first of 13 units at the Robert Moses plant, including digitization of the unit's control system. This upgrade provided critical insights that will help streamline work on the remaining units.

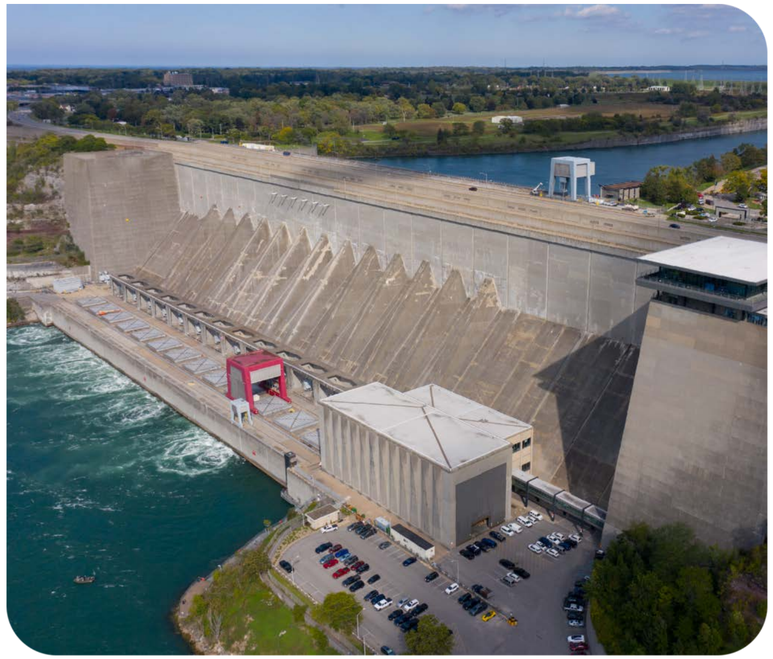
We continued to make progress on building a new gantry crane that is essential for planned mechanical upgrades and plant maintenance. The crane has a lift capacity of 680 tons, as well as bird-deterrence and closed-circuit television systems. We received components and started construction in November 2025, with the crane currently being assembled onsite.

St. Lawrence-FDR Power Project

In 2025, we continued ongoing repairs and upgrades at the St. Lawrence-Franklin D. Roosevelt Power Project. We initiated design and engineering work on two new gantry cranes, replacing cranes that are original to the power project and have reached the end of their operating lives.

The existing STL 90-ton crane will be upgraded to a 100-ton crane to accommodate reserve capacity, ice buildup and dynamic forces when lifting intake gates. The STL 300-ton crane will also be upgraded to provide a greater margin for dynamic forces and future potential upgrades to the project's generating units.

We also continued planning activities for a capital program to rehabilitate the Long Sault Dam (LSD), which is original to the power project. Great Lakes water levels and additional renewable energy sources have impacted LSD operations. A comprehensive assessment identified actions needed to extend the operational life of the LSD, including spillway and gate hoist repairs, mechanical and electrical system upgrades, and safety enhancements.





PEOPLE SPOTLIGHT

Michael Hermo, *Next Gen Niagara*

In August 2025, Mike Hermo was asked to take over the reassembly of hydropower generation turbine Unit 6 at Niagara, a critical generation asset. Under Mike's leadership, Unit 6 was returned to service on December 22, 2025.

Drawing on decades of experience, including earlier work refurbishing seven generating units at Niagara, Mike quickly assembled an interdisciplinary team of supervisors, engineers, and planners to rethink workflows. The team reorganized tasks to run in parallel, reallocated resources, and made rapid, on-the-spot decisions to overcome unexpected equipment and component issues.

Mike credits the success to the collaboration and commitment of the entire team, including electrical, mechanical and controls, and operations staff, alongside local union machinists, technicians, and three key contributors: Ryan Scavone, Eric Haase, and Richard Blech.

"This was a large team effort—getting everyone on the same page was key to accelerating progress."

— Mike Hermo, Maintenance Superintendent

Pumped Storage Facilities

Our Blenheim-Gilboa (BG) and Lewiston pumped storage facilities play an essential role in stabilizing the electric grid and supporting the integration of intermittent solar and wind resources. The two projects allow us to store water for electricity generation during peak demand periods and reliably meet shifting power needs throughout the day. They also deliver critical fast-response and black-start capabilities that are vital for restoring the state's electric grid during outage events.

In 2025, BG delivered exceptional performance. The facility recorded an outstanding maintenance record for the year, logging fewer than eleven forced-outage hours, well below the annual targeted limit of 125 hours, and completed 1,636 generator and pump starts with zero failures. BG continues to provide the high operational flexibility required to manage daily grid intermittency and has significantly expanded its daytime pump-mode operating window in response to growing renewable generation.



2025 Key Hydropower Metrics

Net Generation MWh (total Niagara Power Project, St. Lawrence-FDR, Blenheim-Gilboa, Small Hydropower Plants)

20,637,327
net MWh of hydropower generated

$1.43B year-end net book value of hydropower generation assets, including modernization

Impacts of Climate Change on Hydropower

The production of hydropower is significantly affected by climate variability, regional hydrology and regulatory practices. The Great Lakes watershed governs flows at our two largest hydropower facilities, the Niagara and St. Lawrence-FDR Power Projects. According to the best available scientific research, the long-term impacts of climate change are expected to increase variability in Great Lakes water levels, with a modest rise in average water levels over time. Our other hydropower generating facilities are located within New York watersheds, where precipitation—the primary driver of flows at these facilities—is projected to increase by 6% to 17% statewide by 2080, compared to the 1981–2010 baseline.[1]

NYPA is continuing to leverage scenario planning to gain a comprehensive understanding of the potential physical, operational and transitional impacts of climate change on our hydropower facilities[2]. This strategic approach is helping us better predict, mitigate and adapt to the effects of climate change on our operations and the power grid.

[1]Sevens, A. and Lamie, C., eds. (2025). **New York State Climate Impacts Assessment: Understanding and preparing for our changing climate—Chapter 2.**

[2] For more information, read our hydropower climate scenario analysis article published in November 2025 in the Institute of Electrical and Electronics Engineers (IEEE) Energy Sustainability Magazine.

Expanding Our Portfolio of Emissions-Free Generation

Renewables Strategic Plan

In January 2025, we finalized our first Renewables Strategic Plan with a combined capacity target of 3 gigawatts (GW). In July 2025, we released a draft updated plan for public comment and received comments from more than 6,000 New Yorkers. In our third conferral process, we also received public feedback from 41 stakeholder groups, including state agencies and authorities, regulatory entities, climate and resiliency experts, labor organizations, and environmental justice and community organizations. We published a summary of our findings in December 2025. Visit the conferral **process page** on our website to learn more about this initiative and its outcomes.

The Board of Trustees approved the Updated Renewables Strategic Plan in December 2025, with 45 individual projects and 146 distributed energy storage projects at a combined capacity of about 5.5 GW. The plan reflects changes to our renewable project opportunities caused by project additions and expected attrition as project due diligence advanced. The plan also accounts for underlying market conditions, including the elimination of federal tax credits for wind and solar projects, supply chain challenges, tariffs and interconnection study results. NYRED continues to identify and evaluate new opportunities for project development and will issue a new Renewables Strategic Plan biennially. We will perform comprehensive due diligence on all projects included in the plan, but ultimately only advance those that are deemed technically and financially viable. Read more about our Updated Renewables Strategic Plan **here**.

Somers Solar and Renewable Project Development

In 2025, we announced the acquisition of the 20 MW Somers Solar project in the town of Fort Edward—the first solar project to be owned and operated by NYRED as part of its Renewables Strategic Plan. Through this wholly-owned subsidiary, we will construct and operate the project on a site of approximately 150 acres, which is estimated to create more than 100 union jobs during construction and operation.

The first NYPA Renewable Energy Access and Community Help (REACH) solar project at the North Albany landfill was also announced in 2025, repurposing the closed landfill into a 1.5 MW solar project that will directly benefit low-income National Grid customers. NYPA is exploring opportunities to expand REACH to benefit more low-income communities and demonstrate how public power projects can benefit members of disadvantaged communities.

We also executed exclusivity agreements with private developers for 350 MW of projects and are conducting preliminary evaluations of nearly 10 GW of solar, wind and energy storage projects to assess their feasibility and viability.

Advanced Nuclear Initiative

In 2025, NYPA launched an initiative, in coordination with the State Department of Public Service, to develop and construct at least 1 GW of advanced nuclear power in Upstate New York. We issued requests for information from nuclear technology developers and communities interested in hosting the project. NYPA also announced a collaboration with Ontario Power Generation on the development of advanced nuclear technologies to strengthen energy reliability, affordability and decarbonization efforts in New York and Ontario.

Advanced nuclear can provide firm, zero-emission, baseload power and help to stabilize New York's grid during periods of peak demand or low renewable output. Reducing reliance on fossil fuel-based peaking resources and limiting exposure to fuel price fluctuations also supports long-term electricity affordability.



Rendering of 20 MW Somers Solar Project, Fort Edward, NY

Managing Our Fossil Assets

NYPA aims to support the state's transition to a low-carbon energy future while maintaining the reliability of the electric system. The NYISO oversees the dispatch of energy-generating assets in New York State based on maintaining reliable electric service and identifies the lowest cost resources to provide reliable service in a competitive market. The NYISO dispatches NYPA's assets when additional power is needed to meet customer demand and stabilize the grid. In 2025, the NYISO's decisions were affected by a variety of factors, including changes in the availability of generation resources (e.g., retirement of other generating assets in the region), the availability and pricing of fossil-based fuels, and weather patterns. As a result of these and other factors, the NYISO's use of NYPA assets decreased, the combined net generation of our fossil fuel plants for 2025 was 15.5% lower than in 2024, and our Scope 1 emissions decreased accordingly. While we are advancing renewable energy generation projects, our fossil fuel generation assets serve regions that are not sufficiently connected to renewable power sources. However, as clean energy generation expands in New York State, we expect our Scope 1 emissions to decrease accordingly.

In May 2025, NYPA issued its Small Natural Gas Power Plant (SNGPP) Transition Plan. Key components of the plan include conducting detailed emissions and air quality assessments with the NYISO, working with Consolidated Edison (Con Edison), the Long Island Power Authority, and the NYISO to assess system reliability impacts, and actively engaging with local communities and stakeholders. Before NYPA can take steps to deactivate its SNGPPs, the NYISO and Con Edison must confirm the plants are not needed for emergency power or system reliability in New York City or statewide. NYPA must also ensure that shutting down its small plants will not cause an increase in air emissions in disadvantaged communities. NYPA's small plants are among the cleanest and most efficient in the New York City generation fleet and, when they are retired, other power plants will operate more frequently, which may increase emissions and worsen air quality.

NYPA uses technology and good maintenance practices to ensure our fossil-generating facilities are among the most efficient, lowest emission, non-renewable units in the New York City metropolitan area. We also continue to explore other ways to decarbonize our fossil fuel-powered generating facilities and operations through research and development, procurement of certified natural gas, as well as building and vehicle fleet energy efficiency and electrification.



NYPA's 2025 Greenhouse Gas Emissions

Our emission calculations[1] have been prepared in accordance with the World Resources Institute and World Business Council for Sustainable Development's Greenhouse Gas Protocol, utilize U.S. Environmental Protection Agency emissions factors, and align with CLCPA-compliant emissions approaches. Read more about our emissions calculation methodology in **Basis of Preparation** and full **Statement of GHG Emissions**.

[1]The CLCPA directs state entities to use 20-year Global Warming Potential values from the Intergovernmental Panel on Climate Change Fifth Assessment Report (AR5; see page 5 in the **New York State Department of Environmental Conservation (NYSDEC) 2025 Statewide GHG Emissions Report**). Read the full **Statement of Greenhouse Gas Emissions with Independent Accountants' Review Report** (limited assurance, Scopes 1, 2, certain Scope 3 GHG emissions, and GHG intensities for the year ended 2025) thereon. Effective May 26, 2026, the CLCPA was amended to, among other things, direct state entities to use 100-year GWP values instead. Consistent with these amendments, future reports covering 2026 and beyond will use the 100-year GWP values.

Certified Gas Initiative

In 2025, NYPA purchased 4.96 million MMBtu of certified natural gas. Certified gas is verified by a third party to be produced in a way that minimizes release of methane, a potent greenhouse gas.
The gas purchased by NYPA was certified in conformance with MiQ's methane measurement and leak mitigation standards and contributed to an avoidance of more than 106 thousand MT CO_2e in Scope 3 upstream greenhouse gas emissions.

NYPA's 2025 Greenhouse Gas Emissions Breakdown

SCOPE 1: DIRECT

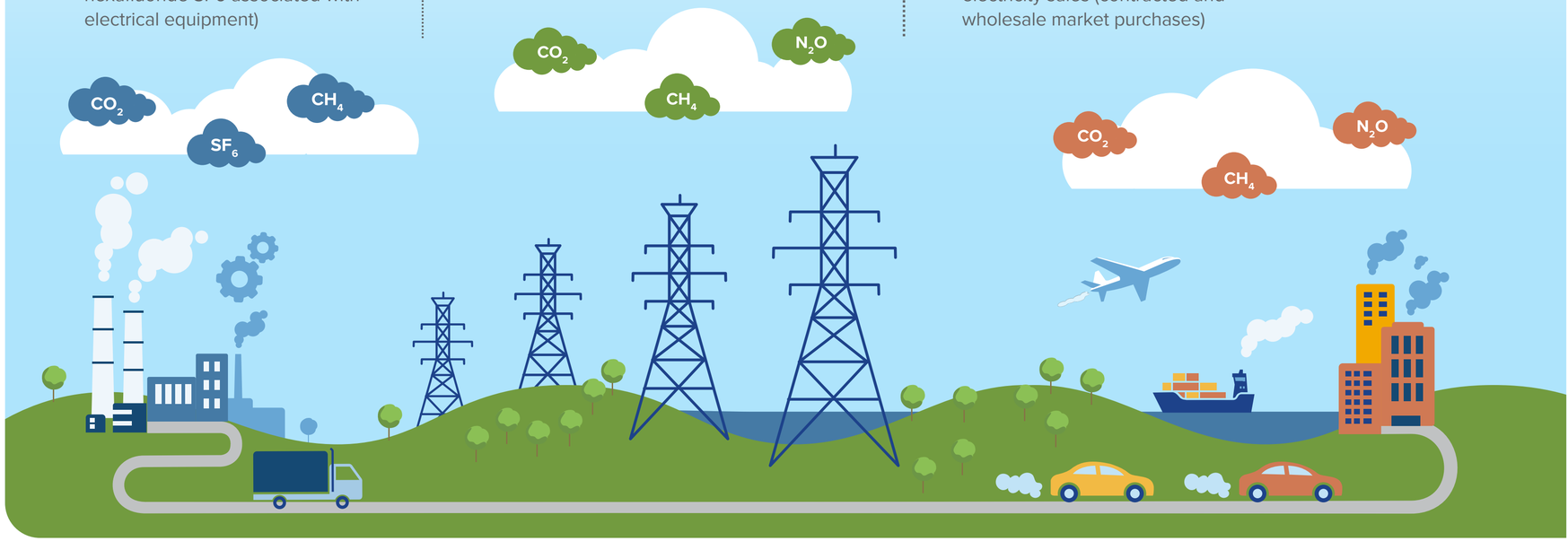
- Stationary combustion of fuels (power plants, facilities)
- Mobile combustion (fleet vehicles, corporate airplane)
- Fugitive emissions (sulfur hexafluoride SF6 associated with electrical equipment)

SCOPE 2: ENERGY INDIRECT

- Consumption of purchased electricity, heat or steam
- Transmission line losses

SCOPE 3: OTHER INDIRECT

- Emissions associated with purchased goods and services
- Emissions associated with purchased capital goods
- Emissions associated with electricity sales (contracted and wholesale market purchases)
- Upstream emissions from purchased fuels
- Employee business travel
- Employee commuting



ALL VALUES EXPRESSED IN TOTAL METRIC TONS CO2E

SCOPE 1

1,720,985

Stationary combustion, mobile combustion and fugitive emissions

SCOPE 2

71,962

Location-based

71,980

Market-based

SCOPE 3

5,237,760

Reported Scope 3 total

1	56,482	Purchased goods and services
2	88,790	Capital goods
3	5,085,818	Upstream fuel- and energy- related activities
6	962	Employee business travel
7	5,708	Employee commuting

Building and Vehicle Efficiency and Electrification

The BuildSmart 2025 program[1], which concluded on December 31, 2025, set an energy reduction target for NYPA of 0.12 Tbtu, representing a 35% decrease from our 2015 energy use baseline. NYPA achieved 101% of its target, equivalent to 0.12158 Tbtu, through implementation of projects in its Clean Energy Master Plan for Buildings. Projects included LED lighting installations, HVAC upgrades and rooftop solar.

The Authority has set a goal to electrify 100% of our light-duty fleet by 2030. By the end of 2025, we reached approximately 47% electrification of NYPA's light-duty fleet and 17% electrification of Canals' light-duty fleet. We are actively working to implement additional EV charging infrastructure at key operating sites over the next five years in support of our 2030 goal. In 2025, we completed the installation of 18 additional EV charging stations at Clark Energy Center, bringing the total available charging ports to 37. Plans are in place to implement smart charging software into the new charging stations to allow for more efficient charging.



PEOPLE SPOTLIGHT

Abbie Heinl, IE, & Matthew Candlena, PE, *Canals EVs*

Under Abbie and Matt's leadership, Canals implemented its first large-scale EV charging project at the Lysander Maintenance Facility in Phoenix, NY, with a total of 27 charging ports. This is a critical step in Canals' EV infrastructure implementation plan, supporting expansion of the light-duty EV fleet and piloting of heavy-duty vehicles and electric equipment.

Abbie was heavily involved with design engineers in review of design plans, managed construction phase inspections and material approvals and ensured all aspects of compliance and quality were met.

Matt coordinated with contractors, engineers and local municipalities to ensure chargers were installed without interfering with existing utilities or causing right-of- way challenges. He also provided quality assurance reviews to help keep the project on track.

Research and Development

NYPA acts as a testbed for new and innovative technologies that support our strategic priorities. This includes emerging energy storage technologies, innovations that lower operating emissions, and developments that increase the capacity and flexibility of transmission assets and the efficiency of hydropower assets.

In 2025, we kicked off a multi-year collaboration with SUNY Cobleskill, the New York State Energy Research and Development Authority (NYSERDA), and the Electric Power Research Institute (EPRI) to demonstrate the viability of co-located solar generation and agriculture. Data will be collected on solar generation, crop yields, livestock grazing efficiency, and soil health in order to assess the overall energy and agricultural performance.

We also began investigations with EPRI into the use of mobile battery energy storage as an alternative to portable diesel generation at Cornell University. Mobile battery energy storage provides a quiet, emissions-free way to supply electricity to remote locations and public events that would traditionally be powered by polluting generators.

Additionally in 2025, NYPA continued its collaboration with EPRI and the technology provider to assess the feasibility of using methane pyrolysis technology to produce hydrogen and solid carbon from natural gas and reduce CO_2 emissions. If assessment findings are favorable, we will use the Jamestown, NY, district heating system as a demonstration site.



[1] See details about state-wide BuildSmart 2025 in the Partner With Customers section of this report.

2

STRATEGIC PRIORITY

Be the leading transmission developer, owner and operator

Lead **Transmission Expansion**

New York is in the midst of its largest transmission modernization and expansion effort in decades. As the state's leading developer, owner and operator of transmission infrastructure, NYPA is implementing critical upgrades that will strengthen New York's energy grid.

Since 2022, NYPA has committed nearly $900 million in the Smart Path Connect project, and over the next five years, we plan to invest more than $1 billion in other major upgrades, including the Propel NY Energy Project, the Uniondale Hub Substation Upgrade, and a series of additional modernization projects across the state. Together, these efforts will enable an additional 1 GW of energy, much of it clean, renewable energy, to flow across the grid. Further, they will strengthen grid resilience, reduce congestion and provide congestion savings, expand access to affordable energy, and create construction and clean energy jobs across the state.

NYPA's transmission work spans the full project lifecycle: research, planning, design, permitting, procurement, construction, maintenance and operations. We recognize that permitting timelines, supply chain constraints, and workforce availability can affect transmission project schedules and costs. NYPA manages these factors by taking a proactive approach: identifying risks early, evaluating practical alternatives, and broadening our sourcing options by prioritizing local and domestic equipment suppliers where feasible. Where domestic supply is limited, we leverage strategies such as long-term supplier agreements and flexible delivery arrangements to keep projects on track.



$2.99B year-end net book value of transmission assets, including modernization and expansion

Expanding Transmission in New York State

Throughout 2025, we continued to advance transmission infrastructure modernization and expansion efforts.

Smart Path Connect

Smart Path Connect is NYPA's first Priority Transmission Project.[1] It consists of approximately 100 linear miles of transmission line rebuild (upgrading from 230kV to 345kV), the construction of four new, fully digital substations, and modifications to 10 existing substations owned by both NYPA and National Grid, NYPA's co-participant. This project will establish a continuous, more resilient 345kV transmission path that greatly expands the deliverability of renewable power from northern and central regions to high demand areas across the state. Construction began in 2022.

In 2025, we completed energization of three new substations, nine new transmission line tie-ins, and the first of two 345kV circuits. The remaining transmission line work is scheduled to be completed in spring of 2026.

Propel NY Energy

The 345kV Propel NY transmission project is a 90-mile underground and submarine transmission line being developed by NYPA in collaboration with New York Transco. This project aims to improve grid reliability and increase clean energy delivery through system improvements across Long Island, New York City and Westchester County.

Included in the Propel NY project are interconnections at the 345kV Uniondale Hub Substation (UHS), formerly known as the East Garden City Substation, owned by NYPA. The project will expand our existing 345kV substation in Uniondale into an adjacent 2.5-acre lot to support the interconnection of new transmission and facilitate the delivery of energy to address increasing demand. This year, our Article VII application for the UHS project was approved by the New York Public Service Commission, marking an important regulatory milestone and moving the project closer to construction.



TEAM SPOTLIGHT

Smart Path Connect Team, *Successful Energization of Major Circuits*

As project manager, Abraham Mohammad led a multi-disciplinary team comprised of Saint Lawrence operations and maintenance, transmission, engineering, project and construction management, development and licensing along with more than 50 engineering, manufacturing, supply, construction, management and testing suppliers. Working through complex conditions and sub-zero winters, boots-on-the-ground line workers, safety supervisors, engineers and contractors moved the multimillion-dollar project steadily toward its final milestones to establish a unified grid backbone in the North Country.

At its core, Smart Path Connect is a team achievement. Many team members deserve to be acknowledged who were instrumental in taking the project from planning through design, construction, outage coordination, testing and commissioning. On the front lines, the skilled workforce demonstrated that coordination, resilience and community trust could turn a long-term vision into reality with every mile of transmission circuit installed and megawatt of power transferred.

[1] A "Priority Transmission Project" is a transmission project designated by the New York Public Service Commission to NYPA to build to meet state policy priorities or short-term power system needs.

NYPA as a Transmission Operator

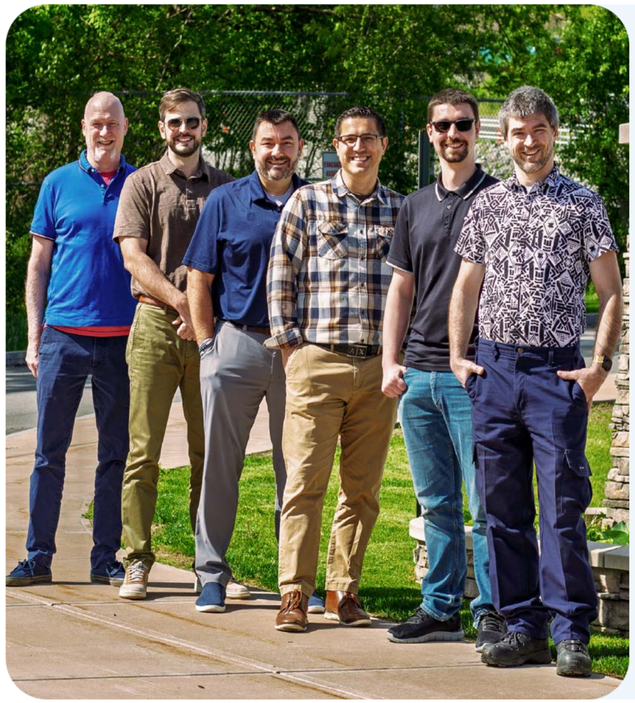
In November 2025, the Northeast Power Coordinating Council and the North American Electric Reliability Corporation (NERC) conducted a successful onsite certification review of NYPA's Energy Control Center (ECC) and its backup facility in New Hartford, N.Y. This review determined our readiness to be certified as a NERC-registered Transmission Operator (TOP) and was a key milestone in expanding NYPA's operational capabilities and transmission asset base NYPA received the certification in January 2026.

The assessment drew on cross-functional teams from across NYPA who had been working together since 2024 to strengthen operational processes, governance, system analysis, operator training, and infrastructure to meet TOP-related reliability standards and requirements. Following the positive review, in advance of the certification effort, NYPA commissioned a new Energy Management System (EMS) at the ECC in November. This project replaced the legacy EMS with a state-of-the-art system that delivers real-time tools critical to maintaining grid system reliability.

NYPA Enabling Interconnections

NYPA is playing a key role in bringing emissions-free generation onto the New York grid through the NYISO's interconnection process. In 2025, NYPA supported construction of three new substations in western NY and one in northern NY, as well as modifications to an existing NYPA station in New York City.

In the second phase of the NYISO Transitional Cluster Study, as of December 12, 2025, there are 15 active projects proposed to interconnect to the NYPA system with a majority expected to be in service by 2032. These include two onshore wind, one offshore wind, five solar, and seven energy storage projects, with a total requested interconnection capacity of 3,811 MW of clean energy.



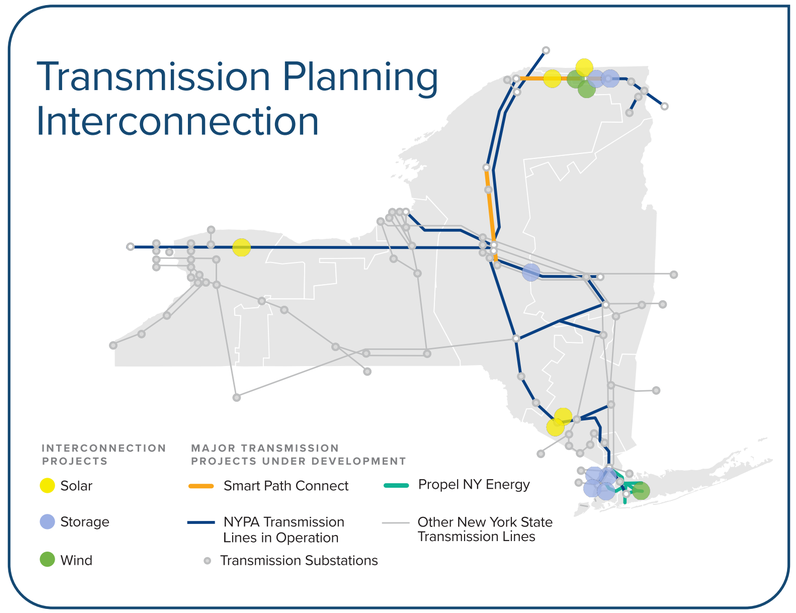
TEAM SPOTLIGHT

Operations Engineering and Technology Teams, *New Energy Management System*

Thomas Hall was the driving force behind our Energy Management System (EMS) development, expertly guiding the Operations Engineering team in modeling, functionality and compliance to ensure seamless implementation of the EMS at the Clark Energy Control Center.

Sidney Wells, Greg Sacco, Goran Music, and Vitaly Zhushma of the Operations Technology team were also pivotal to the effort, leading engineering activities, defining the technical scope and strategy, installing and testing the new hardware and software, meeting all NERC Critical Infrastructure Protection requirements, and coordinating with the NYISO, other transmission owners, and NYPA's regional projects during a live cutover to the new system.

Matthew Miller also played a key role, contributing to everything from database conversions to the creation of an integrated user interface. His support was critical in navigating challenges and to the successful execution of the overall project schedule.



CHAMPLAIN-HUDSON POWER EXPRESS

The Champlain-Hudson Power Express (CHPE), a 339-mile high-voltage transmission line, is expected to be in service spring 2026 and will deliver 1,250 MW of competitively priced clean hydropower from Quebec into New York City's power grid. During 2025, NYPA worked with project owner TDI to "plug in" the transmission facility to New York City's grid between NYPA's Astoria Annex substation and Con Edison's Rainey substation with the help of a newly constructed 3.4-mile 345kV underground line, to be owned and operated by NYPA. The clean energy CHPE will deliver is expected to power more than one million homes.

EXCELSIOR ENERGY CENTER

The Excelsior Energy Center is a 280 MW solar project in western NY being built by NextEra Energy. The project will connect to NYPA's high-voltage transmission system and will be among the first utility scale projects to be in service in New York. NYPA will own and operate the interconnect switchyard (Byron) associated with the project. Construction of the substation is underway and is expected to be in service spring 2026.

Working To Enhance the Safety, Security and Reliability of the Grid

NYPA continues to strengthen the monitoring and efficient management of the transmission system through a range of initiatives, from expanding robotics capabilities for comprehensive grid inspections to collaborating on cutting-edge technologies that enhance system-wide surveillance and maintenance.

Operational Technology Programs

In 2025, NYPA advanced its robotics and Digital Worker programs to improve how asset data is collected, analyzed and used. The robotics programs enable one pilot to operate up to four drones, with machine learning and AI flagging asset conditions, while “drone-in-a-box” systems provide automated, near real-time inspections. In addition, through our Digital Worker initiatives, we modernized field operations with mobile tools, improved connectivity, and digitized workflows for faster, increasingly standardized and more accurate data capture.

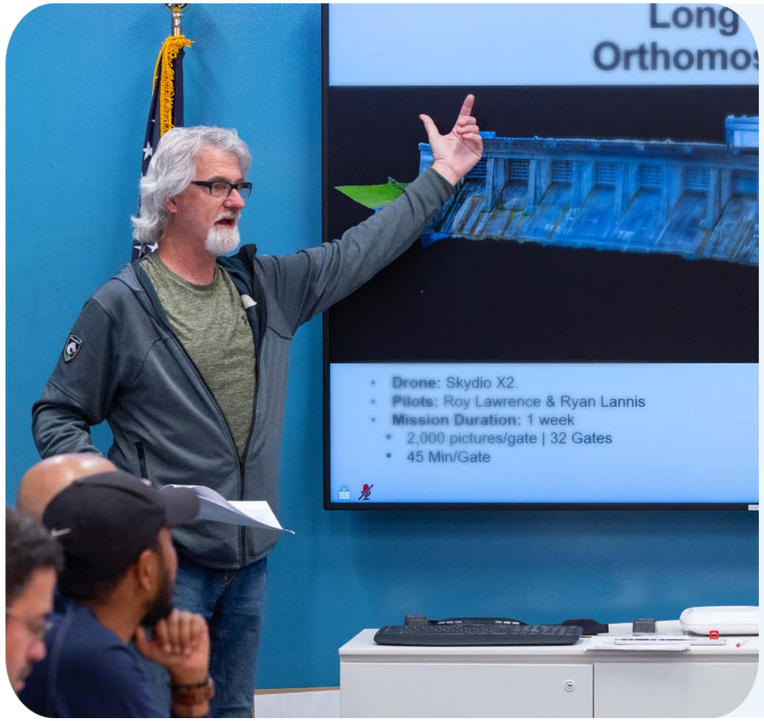
NYPA leverages these expanding data sets in the Integrated Smart Operations Center to detect risks earlier across both generation and transmission. The monitoring extends to renewables, Canals, and IT/OT networks—providing a unified, fleet-wide view of asset performance, enabling proactive reliability management.

Advanced Grid Innovation Laboratory for Energy

NYPA’s Advanced Grid Innovation Laboratory for Energy (AGILe), located at NY CREATES’ Albany NanoTech Complex, offers advanced grid simulation capabilities to evaluate future system scenarios and assess the impact of emerging technologies and enhancements on electric system operations and reliability.

AGILe enables NYPA to model, test and validate electrification solutions, transmission technologies, and innovative energy systems in a controlled environment. A core function of the lab is de-risking new technologies by identifying performance limitations, validating interoperability with existing infrastructure, and assessing behavior under real-world and stress conditions prior to deployment. This helps to ensure new technologies deliver reliable, scalable and cost-effective outcomes.

In 2025, AGILe was included in the Department of Energy’s U.S. Electric Grid Test Bed Inventory, recognizing its role as a trusted platform for industry collaboration. The Inventory is a collection of publicly accessible facilities (“test beds”) that perform testing, evaluation, validation and certification of transmission and distribution (T&D) grid technologies prior to deployment and demonstration in the field. The purpose of this inventory is to assist T&D technology developers, integrators, electric utilities, grid operators, and other industry stakeholders in identifying test beds that can assess promising new technologies.



PEOPLE SPOTLIGHT

Roy Lawrence, *NYPA Robotics Program*

Our Robotics program, supported by Roy Lawrence, has transformed our asset inspection and monitoring program through the use of drones and robotic systems. Roy joined the program in 2020 and became a full-time member in 2025. Bringing with him 23 years of experience maintaining electrical assets in the field, Roy has been successful in introducing emerging technologies into field operations and building support for new applications that enhance workplace safety and operational efficiency. Roy has accelerated the program’s growth and positioned robotics as a driving force behind our commitment to a technology-enabled asset strategy.

“After more than 20 years in the field, I have seen how drones and robotics can turn a dangerous, time-consuming job into a safer, smarter, and more efficient way to maintain our assets.”

— Roy Lawrence, Senior Robotics Specialist

American Public Power Association Awards

In 2025, NYPA again received Diamond-level awards from the American Public Power Association for both the Reliable Public Power Provider (RP3) and Safety Award of Excellence categories, reaffirming NYPA’s leading role in building a state powered by clean energy. Diamond-level is the highest rank awarded. The RP3 Program assesses public utilities across four critical areas: reliability, safety, workforce development, and system improvement, and the safety award recognizes safe operating practices in the category for utilities with more than 3.9 million worker-hours of annual worker exposure.

3

STRATEGIC PRIORITY

Enable customers to achieve their decarbonization goals

Partner With **Our Customers**

NYPA and its customers are working together to drive the clean energy transition of New York State.

Our partnerships extend across the full scope of energy projects, including resiliency, end-of-life infrastructure replacement; building efficiency, decarbonization and electrification upgrades; distributed energy resource projects such as onsite solar and energy storage; and charging infrastructure that supports vehicle electrification. From site audits to design, contracting, installation and maintenance, NYPA helps customers through every step—providing the end-to-end expertise that organizations, municipalities, city and state agencies, transit authorities, and communities need to transform their infrastructure and meet their energy project goals. Taken together, these partnerships reflect NYPA's role as a trusted energy advisor.

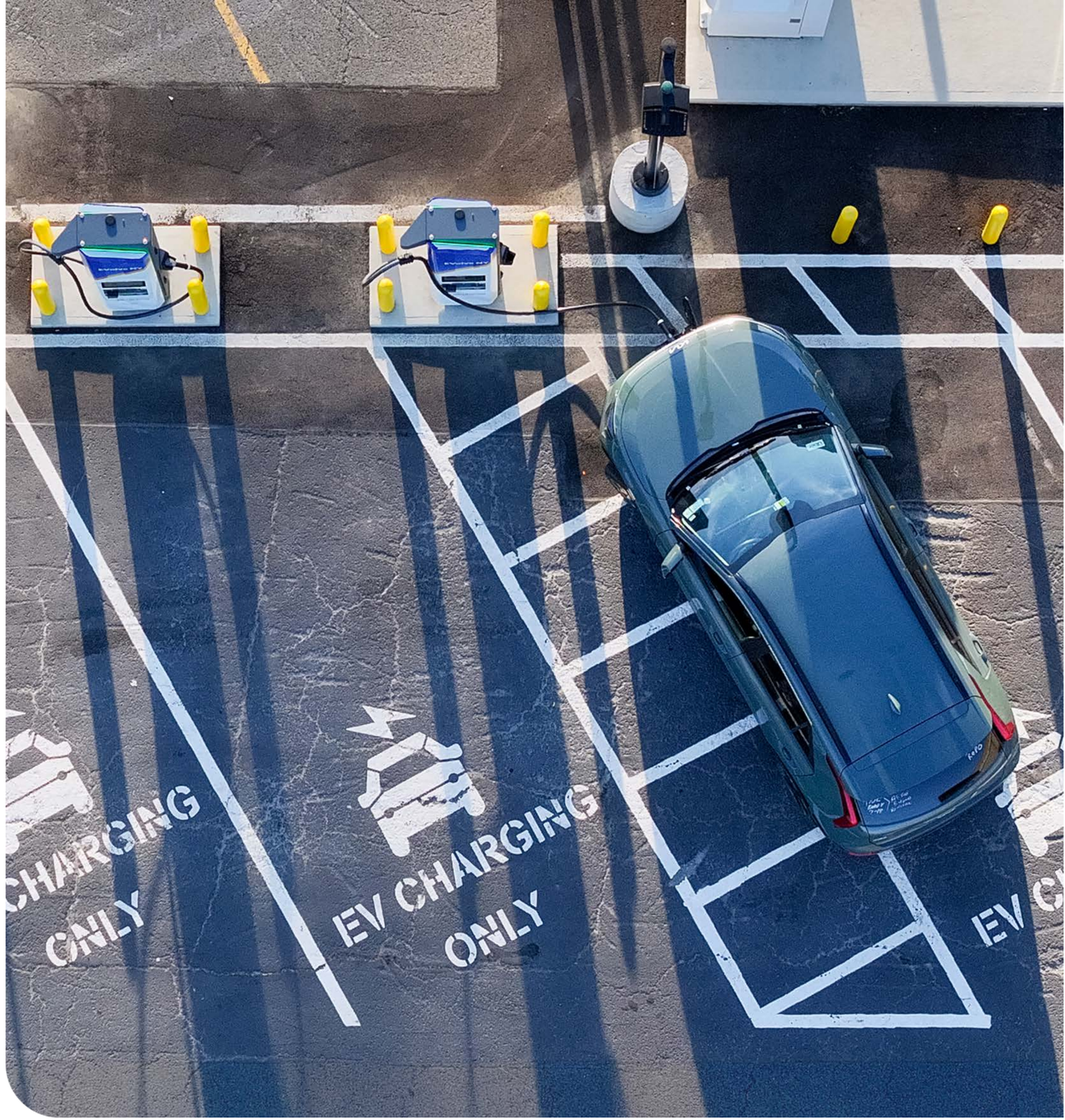
NYPA completed 81 energy conservation and efficiency projects in 2025

40,958 MWh

customers' estimated electricity savings from conservation and efficiency initiatives

25,573

total metric tons estimated GHG emissions avoided



Delivering Low-Cost Power To Customers

We administer economic development programs that provide low-cost hydropower and long-term price stability to businesses and not-for-profit organizations. Eligible organizations must maintain or expand existing operations or locate new operations in New York State and must commit to retaining and/or creating jobs and investing capital in their facilities. Since 2020, our economic development program customers have saved over $1 billion on energy costs.

Our Western New York Hydropower program, also known as the Expansion Power and Replacement Power program, offers 695 MW of hydropower to for-profit businesses within a 30-mile radius of the Niagara Power Project. Our Preservation Power program offers 490 MW of hydropower to eligible for-profit businesses in Franklin, Jefferson and St. Lawrence counties. Through ReCharge NY, we work closely with state government to provide 910 MW of power (455 MW of hydropower and 455 MW of market power) to other businesses and nonprofit organizations at affordable rates intended to lower their energy costs.

2025 Power Allocation Highlights

In 2025, we allocated nearly 19 MW of low-cost power through the ReCharge NY program to 49 companies in the Capital District, Central New York, Finger Lakes, Long Island, Mid-Hudson, Mohawk Valley, New York City, North Country, Southern Tier and Western New York regions. 48% of ReCharge NY allocations went to businesses and nonprofits in disadvantaged communities. This initiative delivers lower-cost energy to businesses, promoting job creation and economic development.

BIG HEART PET BRANDS

Big Heart Pet Brands is a Buffalo-based pet treat manufacturer and has been a major employer on the city's east side since 1957. The company owns the Milk-Bone pet treat brand. In 2025, we awarded a 700 kW allocation of low-cost power through our Western New York Hydropower program to support a $53 million expansion of its Urban Street manufacturing plant. The renovation will expand freezer storage space and install new processing equipment, increasing production capacity and allowing the company to create 17 new positions.

ALCOA

Alcoa is a leading aluminium producer and one of the North Country's largest employers. In 2025, we awarded an extension of an existing 240 MW allocation of low-cost power through our Preservation Power program to Alcoa for its Massena plant in St. Lawrence County. This allocation will support Alcoa's operations for the next 10 years with extensions through March 31, 2036, contingent on maintaining a minimum of 500 full-time equivalent jobs and investing a minimum of $30 million in plant facilities.

Supporting Customer Decarbonization and Electrification Goals

NYPA implements a variety of projects to help our customers achieve their clean energy goals. In 2025, we continued to develop customer-sited solar—including 18 MW of NYPA-enabled distributed solar—enhance energy efficiency in buildings, and expand statewide EV charging infrastructure.

Developing Customer-Sited Renewables

JOHN F. KENNEDY INTERNATIONAL AIRPORT SOLAR CARPORT

NYPA is advancing the state's renewable energy infrastructure with the construction of the state's largest onsite solar plus storage project at John F. Kennedy International Airport (JFK).

Developed in collaboration with the Port Authority of New York and New Jersey, JFK Solar includes installation of a solar carport canopy across a long-term parking lot to help provide electricity for the airport's AirTrain and reduce energy costs for designated low-income residents in communities surrounding the airport. Featuring enough solar panels to cover an area equivalent to 11 football fields, this 12.3 MW solar initiative, which includes 6.1 MW of community solar and 7.5 MW of battery storage, will reduce the airport's energy usage during peak periods.

Upon completion, the JFK Solar carport is poised to reduce greenhouse gas emissions by more than 5,000 tons annually, aligning with the Port Authority's objective to achieve net-zero greenhouse gas emissions by 2050.



PEOPLE SPOTLIGHT

Zachary Adams,
Alcoa Account Executive

As a senior account executive, Zachary works directly with Alcoa, NYPA's oldest and largest business customer. He stays closely connected with Alcoa stakeholders to understand their needs and deliver practical solutions.

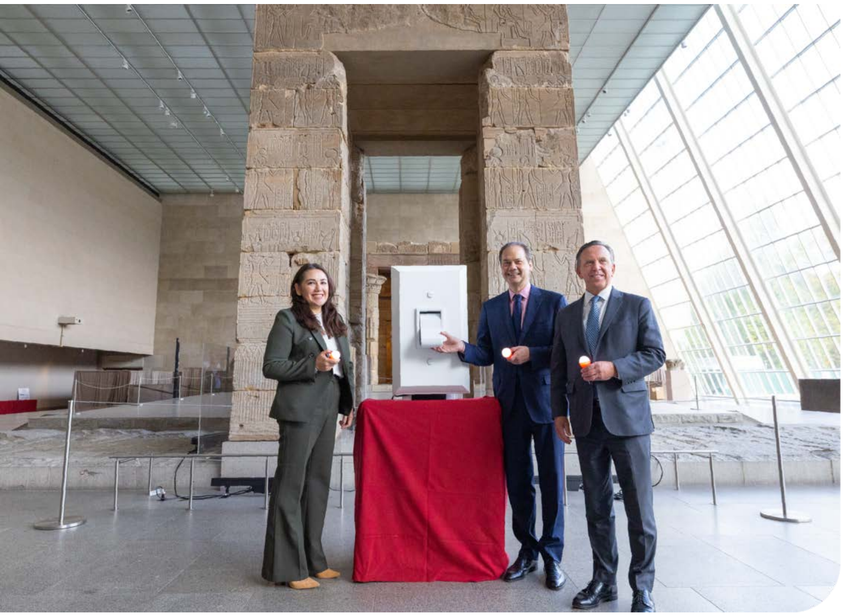
Zachary supported the negotiation process for NYPA and Alcoa's 10-year low-cost power agreement, a landmark for both organizations. The process required collaboration across roughly 20 departments while preserving a strong, trusted relationship with Alcoa. The agreement will support job creation, capital investment, and the vitality of surrounding communities in St. Lawrence County.

Increasing Building Efficiency and Electrification

BUILDSMART 2025

BuildSmart 2025, New York State's collective effort to improve energy efficiency in state-owned buildings, has met its multi-year goal to achieve a one-third reduction in energy use from a state fiscal year 2014/15 baseline. At the program's conclusion on December 31, 2025, state entities reported energy-saving projects that met the 11 trillion British Thermal Units state savings target. NYPA administered the program and helped other agencies meet their goals through energy-efficiency projects. On behalf of government customers, NYPA implemented 389 of the 2,244 total projects completed throughout the program.

The program's next phase, BuildSmart 2030, aims to maintain momentum built under previous program iterations and ensure the program is aligned with Governor Hochul's Executive Order 22 (EO22) carbon reduction goals. Investments will continue to be made in cost-effective carbon reduction measures, incorporating the value of carbon to align with EO22 and encouraging asset-level metering and electrification.



Induction Stoves for New York City Public Housing

In November, we kicked off the next phase of the Induction Stove Challenge with NYSERDA and the New York City Housing Authority (NYCHA). Copper, an appliance manufacturer, will develop 10,000 new energy-efficient induction stoves as replacements for gas stoves in New York City public housing facilities. Using embedded batteries, these 120-V stoves can store energy during idle periods and power through demand surges. The project aims to improve indoor air quality, eliminate service outages, and avoid costly gas infrastructure and electrical upgrades in NYCHA buildings the latter of which are otherwise required to install standard 240-V stoves.

PARTNERING WITH DCAS ENERGY MANAGEMENT

NYPA supports the New York City Department of Citywide Administrative Services (DCAS) Division of Energy Management (DEM) by advancing mutual objectives for meeting New York City's energy project goals through practical, cost-effective and energy-efficient solutions. DEM serves as the hub for energy management in New York City buildings, playing a critical role in supporting agency partners.

In 2025, we partnered with DCAS to complete significant energy projects, from comprehensive energy retrofits to onsite solar installations to LED lighting upgrades. One example is the New York City public school lighting program, with more than 300 projects delivered since the program began in 2023. This is a significant milestone in the city and state's collective effort to promote energy efficiency and sustainability. By modernizing school lighting systems, NYPA and DCAS are enhancing the learning environment for New York City students while simultaneously reducing building energy use and costs.

Another example is a $25 million energy-efficiency project to modernize lighting at The Metropolitan Museum of Art. Nearly 20,000 LED lights will be installed across 324 of the museum's galleries, alongside the replacement of 16 comprehensive lighting control systems. In 2025, we completed 6,500 lighting installations. The new lights will improve the visibility of displayed art while also preserving the artwork's integrity by emitting less heat. Additionally, the new lighting controls allow for remote monitoring and scheduling. The new, energy efficient lighting will significantly reduce the museum's operating and maintenance costs.

Municipal and Rural Electric Cooperatives Energy-Efficiency Programs

All 51 municipal and rural electric cooperatives support energy-efficiency upgrades both within their own operating systems and with their customers' investments. This is done through a 0.1% per dollar of value withholding from NYPA's clean hydro deliveries. These funds leverage small customer contributions to fund significant energy conservation projects and utility distribution system upgrades. These projects include residential insulation upgrades, adopting ground source heat pumps and LED lighting for local businesses, and operational improvements.

New York State Decarbonization Leadership Program

The 2023-24 Enacted State Budget charged NYPA with developing action plans for 15 of the highest emitting New York State government facilities to help advance the state's Decarbonization Leadership Program. The action plans, which were completed in 2025, have identified opportunities to reduce annual CO_2e emissions by more than 570,000 metric tons—the equivalent of removing 100,000 cars from the road.

Expanding Electric Vehicle Infrastructure

MTA BUS FLEET ELECTRIFICATION

The Metropolitan Transportation Authority (MTA) aims to transform all of its approximately 6,000 New York City buses at 28 bus depots to a zero-emission fleet by 2040. We are working with the MTA on a three-phase project. In the first phase, we installed 65 electric bus chargers at four depots in Queens, Staten Island and Brooklyn and replaced an on-street charging system at the Williamsburg Bridge Plaza.

In 2025, we began phase 2, which will deploy 233 bus charging systems across three depots. We installed 28 electric bus chargers at one depot in Manhattan and made substantial progress on the other phase 2 depots, including 73 chargers in the Bronx that will be operational in 2026. Phase 3 will include 16 electric bus chargers at Jamaica Bus Depot in Queens as well as designing medium voltage utility infrastructure across four depots.

BROOME AND ULSTER COUNTY AREA TRANSIT ELECTRIC BUS CHARGING, RENEWABLES AND RESILIENCY

In 2025, we partnered with Broome County Transit and Ulster County transit agencies to install electric bus charging infrastructure. In Broome County, NYPA led the installation of six 180 kW charging cabinets capable of charging up to 18 buses. The chargers will support the county's first 13 battery electric buses.

Also, for Broome County, we installed a 500 kW back-up generator with a future-proofed design to accommodate solar electric and battery energy storage in a later phase. For Ulster County Area Transit, we installed four 150 kW power cabinets that can charge up to 12 buses or EVs and a 480-panel rooftop solar system rated at 204 kW-DC and 180kW-AC at their bus depot located in the City of Kingston.

EVOLVE NY

NYPA's EVolve NY program, the largest public power network in the country, installs fast-charging infrastructure along key travel corridors and in select urban hubs throughout New York State. Expanding the number of charging locations available has alleviated range anxiety and made EV travel significantly easier. It has also helped to accelerate the adoption of EVs, reducing polluting emissions in local communities. Our chargers provide efficient and affordable options for EV owners and are the only available fast-charging options in many rural parts of the state. The charging stations are being installed at roughly 50-mile intervals, with safe and easy highway exit access and in urban areas to serve apartment dwellers. Most stations have easily accessible food options, restrooms and shelter.

NYPA's goal is to install up to 400 EVolve NY high-power chargers capable of charging up a vehicle in as little as 30 minutes. In February 2026, we surpassed the 300 charger milestone with the opening of a new 12-charger site at LaGuardia Airport.



Tree Power

NYPA's Tree Power program promotes the planting of native trees by providing a match for trees purchased by participating customers. Trees can provide cost-effective energy efficiency improvements by shading buildings and acting as a windbreak to reduce energy consumed by HVAC systems. They also reduce urban heat islands, mitigate stormwater flooding, and improve air quality. Since 2021, Tree Power has distributed trees native to New York, supporting local biodiversity while improving building energy efficiency. The trees we distribute provide habitat and shelter for a variety of wildlife including birds, beneficial insects, butterflies and moths. More than 1,692 trees were distributed to more than 50 communities across New York state in 2025, marking the largest distribution since the program began in 1992.

4

STRATEGIC PRIORITY

Revitalize the New York State Canal System

Revitalize the **Canal System**

With 524 miles of interconnected waterways and more than 300 miles of networked trails, the New York State Canal System has shaped the economic and cultural landscape of upstate New York for two centuries. The New York State Canal Corporation, in conjunction with NYPA, actively maintains and restores these physical assets to ensure they are safe, reliable and accessible. We pilot innovative technologies to support this work while remaining committed to protecting and preserving the surrounding ecosystems.

In 2025, we commemorated two centuries of continuous operation with the Erie Canal Bicentennial, a yearlong series of events and programming commemorating the Canal's past while planning for its future. Building on that momentum, we introduced the Canal Recreationway 2050 Plan, a stakeholder-driven framework to strengthen tourism, recreation and economic development along the canal system, with commitments to environmental stewardship and accessibility at its core.

As the Erie Canal enters its third century of operation, we continue to strategically invest in and actively pursue additional capital funding for the system's infrastructure, ensuring the waterway is safe, operable and a driver of tourism and economic activity for generations to come.



Two Centuries of Canal Operations

Erie Canal Bicentennial

The Erie Canal Bicentennial commemoration culminated in Fall 2025, with the theme of Raising More Voices. The Bicentennial was an opportunity to tell the diverse stories of the Canal's past and present and envision a vibrant and inclusive future. Over 400,000 people participated in more than 200 community events recognizing the Bicentennial.

1 A series of Bicentennial Flotillas were launched across New York State in partnership with the Buffalo Maritime Center. Commercial tour vessels, recreational boaters, and Canal operational vessels all took part in each flotilla traversing some of the canal systems' most iconic locations.

2 We hosted the World Canal Conference in Buffalo in September 2025, with record attendance, welcoming over 500 canal experts and enthusiasts from 10 countries and 22 states. The event featured discussions about economic and community development, waterway management, tourism and preservation of historic inland waterways.

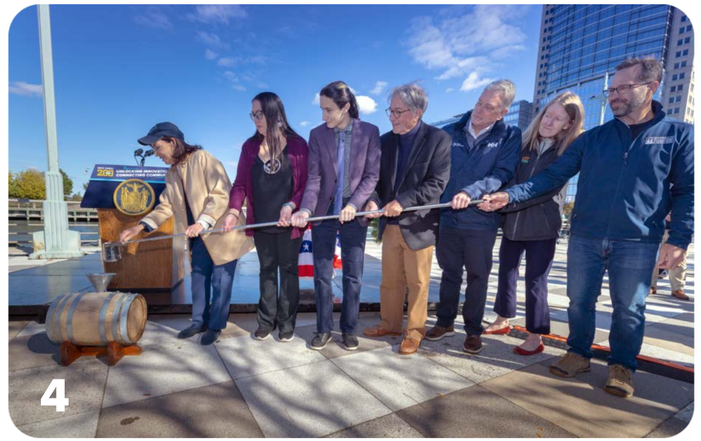
3 The Albany Symphony Orchestra held five Water Music NY: More Voices concerts across New York State. Each performance featured newly composed music about the Canal that was personalized for each stop on the tour.

4 In October 2025, Governor Hochul marked the 200th anniversary of the opening of the Erie Canal in New York City with the arrival of the Buffalo Maritime Center's Erie Canal Boat Seneca Chief. The boat is a replica of the original vessel Governor DeWitt Clinton traveled on from Buffalo to New York City in 1825. The Seneca Chief traveled from Buffalo, making 28 stops along the Erie Canal and Hudson River before ending its journey at Pier 26 at Hudson River Park in New York City on October 26. The Governor joined the Buffalo Maritime Center and guests in the Gathering of the Waters ceremony and the planting of an Eastern White Pine tree, a symbolic tribute to the Haudenosaunee and a commitment to a sustainable future.









Canal Recreationway Commission 2050 Plan

The New York State Canal Recreationway Commission (CRC) was created in 1992 to advise the Canal Corporation on Canal-related activities. In 2025, the CRC, Canal Corporation, and NYPA published the Canal Recreationway 2050 Plan (the 2050 Plan) as part of New York State's commemoration of the Erie Canal's Bicentennial. With input from more than 500 stakeholders across the New York State Canal system, the CRC-led initiative builds on the success of the original 1995 Canal Recreationway Plan that transformed a post-industrial waterway into a vibrant resource for inclusive recreation.

The 2050 Plan is structured around seven guiding principles that create a continued vision for the 524-mile canal system of waterways, trails and parks, while taking cultural heritage, economic impact and ecological benefits into account. Read more about the 2050 Plan **here**.

In support of the plan's goals, in 2025 we announced a more welcoming look for public spaces along the canal system, which includes new guidelines for wayfinding signage, a refreshed brand identity and new design standards for park amenities to increase accessibility.

Strengthening Infrastructure for Safe, Reliable Operations

Most of the canal system's physical assets require maintenance and restoration to keep the waterways safe, reliable and accessible. We conduct more than 800 structural inspections each year and have assessed most of the canal system's civil structures. The data gathered in our inspection program allows us to create a pipeline of shovel-ready projects and strengthens our ability to pursue additional external resources, such as grants, that will support our revitalization efforts.

We rely heavily on skilled employees to fabricate and repair critical infrastructure components. These employees operate out of our eight maintenance shops and perform welding, woodworking and electrical work, and specialize in repairing pieces of nearly century-old equipment that are no longer available for purchase. This maintenance work provides aging assets with the expert attention they need, maximizing their strength, longevity and safety. It also helps reduce our dependency on outside suppliers and promotes the sustainable business principles of repair and reuse.

We completed a new regional asset management plan (RAMP) in 2025 that focused on the assessment of critical infrastructure across the state. The RAMP integrates system-wide analysis and recommendations into asset management and future capital planning efforts, setting the foundation for Canals' long-term success.

In 2025, priority projects included rehabilitation of aging water impounding structures like reservoir dams, waste weirs, and earthen embankment dams, as well as enhancements to water management infrastructure. The fiscal year 2025-2026 New York State budget appropriated $50 million to support these projects. This investment will help extend the life of our critical assets and ensure canal operators, users and adjacent communities can continue to safely enjoy the benefits of our canal system.

Our multidisciplinary Canals External Funding Working Group pursues state, federal and non-profit funding opportunities to increase the resources available for revitalizing the canal system. Our Canals Divestment Working Group identifies assets that are no longer essential to achieving our strategic priorities or the operation of canal waterways. The group coordinates with state agencies and other stakeholders to explore potential opportunities to transition ownership of these non-essential assets to external organizations.

Dam Rehabilitation

Sustainable use of the canal system's waterways by tourists, businesses, residents and other groups depends in part on the integrity of its dams. We own more intermediate- and high-hazard dams than any other New York State entity[1]. Our portfolio also includes more than 1,000 water-impounding structures, such as spillways, dive culverts, gates and embankments. We hold public safety as our highest priority and make diligent efforts to understand the conditions of these structures and the potential risks they pose so we can protect the public and preserve the integrity and serviceability of the infrastructure. This work is essential to our goal to enhance the resiliency and sustainability of the canal system for long-term use.

The Rocky Rift movable dam was significantly damaged while adjusting flows in the Mohawk River during a significant rainstorm in April 2025. Additionally, a significant seep along an earthen embankment between the lock and movable dam emerged. This damage required a delay in the full opening of the canal system for the 2025 navigation season. Crews successfully completed repairs to the dam and embankment, ensuring safe navigation for boaters.

We also announced plans to rehabilitate the Madison Dam in Madison, NY. Although the dam has been routinely inspected and repaired as needed, it has not been significantly rehabilitated since 1983. The work planned in the coming years includes replacement of the spillway and low-level outlet system that are used to manage water levels, and rehabilitation and improvements to the dam's earthen embankments. An extensive rehabilitation will ensure the dam is designed to current standards and continues to function safely. The project progressed through advanced design in 2025 and construction is set to begin in 2026.

Royalton Earthen Embankment Program

In June 2025, we completed a critical construction project to address persistent seepage along the Erie Canal's historic earthen embankment in Royalton, NY. Our crews and contractors installed a soil-bentonite slurry wall along a 1.3-mile stretch of the 200-year-old earthen embankment under the centerline of the Erie Canalway Trail. The original project scope was more than doubled thanks to funding allocated in the state's FY 2025 Enacted Budget for repairs and improvements to critical water impounding infrastructure along the system. The New York State Chapter of American Public Works Association (APWA) recognized this project with a Project of the Year Award in the Historic Restoration/Preservation category. In addition, the project received regional recognition with an award from the Western Branch of the New York Chapter of APWA.

Ice Jam Mitigation

Our Ice Jam Mitigation program entered its fifth year in 2025. The program uses tugboats to break ice, which reduces the risk of ice jams and flooding in Schenectady County by creating open channels for ice to flow downstream. These efforts along the Mohawk River and Erie Canal have enhanced community resiliency, raised awareness about ice jam risks, and provided valuable insights for future planning and adaptation of the canal system.

[1] The hazard class of a dam is an indication of the estimated consequences if the dam were to fail. It is not an indication of the condition of the dam." — New York State Division of Water 3.1.5 Guidance for Dam Hazard Classification, New York State Department of Environmental Conservation.

Canal Innovation

We pilot various technology modernization programs to support the efficiency and effectiveness of our crews.

Robotics

We leverage robotics technology for our crews to inspect high-risk areas, improve asset data quality, and enhance operational efficiency. Examples include unmanned drones, robotic dogs, and submersible and crawler remote-operated vehicles that monitor infrastructure and allow crews to safely inspect assets prior to physical intervention. In 2025, we awarded 14 competitively bid equipment and software contracts to expand our robotics program and support operational needs.

Spencerport Fiber Optics Pilot

We executed a research and development contract to design and install a distributed fiber optic system to help detect and monitor seepage within an embankment located in Spencerport, NY. The pilot will monitor the conditions of the embankment for one year while evaluating the technology's impact and effectiveness. We are also investigating the potential for this technology to detect, monitor and analyze data on activities such as trail usage, boater traffic and water levels within the canal system.

Canal Fleet & Marine Infrastructure Modernization

The Canals Fleet comprises 1,715 assets, including 532 vehicles, 1,073 pieces of equipment, and 110 vessels that collectively support year-round operations across the canal system. In 2025, we continued to advance our comprehensive fleet modernization program, with the proportion of assets less than 10 years old reaching 57 percent.

We continued our marine infrastructure modernization efforts in 2025 with the delivery of two new tugboats, the Thomas X. Grasso and the Rome. These tugs will be utilized for maintenance activities, such as buoy replacement and retrieval, movement of spoils, and transport of dredge pipe and equipment. The name of the third tug, the Waterford, was approved by the Board in February 2026 and is expected to be delivered later in 2026. The fourth tug, yet to be named, is expected in 2027. We also completed a three-year pilot program on utilizing an all-electric workboat for operations in the Rome section. The vessel traversed more than 200 miles on the Erie Canal to commemorate the Bicentennial.

Environmental Stewardship

We work to preserve, restore and manage canal-adjacent environments and ecosystems that support our premier waterways and trails.

Embankment Clearing Program

We manage hundreds of miles of embankments along the canal system. A key aspect of embankment management is the clearing of overgrown vegetation. Steep embankments can prove challenging to clear with standard equipment and may be unsafe for our crews. In 2025, we piloted a program to use goats to clear these hard-to-reach areas, allowing our crews to focus efforts on remaining embankments. Goats are a sustainable, emissions-free option for vegetation management, and they are able to clear poison-plant species such as poison ivy, oak and sumac without harm. The pilot program will continue in 2026.

300 for 300

"300 for 300" is a forward-thinking initiative looking towards the New York State Canal System's third century by transforming 300 acres of Canal lands into thriving habitats for pollinators and other wildlife. The program was initiated in 2025 by delineating 15 acres for reduced mowing. By reducing mowing and cultivating pollinator meadows and trees, this project aims to reduce maintenance, enhance biodiversity, support vital ecosystems, and ensure the Canal's ecological health for the next century. This sustainable approach honors the canal system's rich history while fostering environmental stewardship and resilience.

Fall Fishing

We continued our Fall Fishing program in 2025, releasing water from the Erie Canal into Lake Ontario tributaries. In addition to kicking off fall fishing season, this release strengthens the population of local species and provides a longer, more bountiful angling experience. Water release flows are periodically increased between September and December along specific waterways, resulting in improved spawning conditions for brown trout, steelhead and salmon.



PEOPLE SPOTLIGHT

Erik Crandall, *Lock Gate Safety Improvement*

Erik Crandall, Canal maintenance supervisor, was intrigued by reports of a challenge lock operators believed was impossible: designing a barrier that could flex, extend and retract with the movement of the lock gates using only a few parts.

After a few hours of prototyping, Erik developed an innovative telescoping safety rail solution that was installed at the two Pittsford locks where it has been performing reliably. Interest in the design has spread across Canals, and teams are looking to adapt the design to fit the unique geometry of the other 55 locks.

5

FOUNDATIONAL PILLARS

Uplift our people and live our values
Support the diverse needs of the communities in which we operate

Supporting Our **People and Communities**

We understand that the strength of our workforce, the vitality of our communities, and the diversity of our relationships are essential to both a sustainable energy future and a vibrant canal system.

In 2025, we continued to invest in our people while showing up as a good neighbor in the communities we serve. We deepened our commitment to employee growth and well-being, fostering a workplace culture that celebrates diversity and gives every team member the opportunity to thrive. We also strengthened our ties to the communities where we live and work through thoughtful leadership and engagement.

Through targeted workforce development initiatives, inclusive hiring practices, community programs and meaningful collaborations with local and diverse suppliers, we are building a resilient social ecosystem so that more New Yorkers can share in the benefits of a clean energy future.



Supporting Our People

In 2025, we continued to focus on inclusion, innovation and accessibility to support our organizational goal of fostering a collaborative workplace. We aim to ensure that our workforce is equipped not only with the tools needed for their immediate role but also with opportunities for personal and professional development and growth.

Our policies, programs and initiatives are created to promote an environment where employees have an equal opportunity to succeed and contribute. We invest in training designed to build a diverse, skilled workforce and set clear expectations for compliance with our policies.

The Authority has a holistic workplace health and safety program. We provide comprehensive health benefits to our employees, covering both physical and mental health, as well as financial and retirement planning, continuous learning opportunities, and programs designed to enhance work-life balance. By investing in employee well-being and addressing identity-specific challenges in the workplace, we are able to build a stronger organization.

Promoting an Inclusive Culture

Through our VISION2030 Renewed Foundational Pillars, we are creating an inclusive, diverse and equitable culture. The Authority believes inclusivity drives innovation, informs better decision-making, and strengthens our ability to serve our communities.

We offer programs to improve workplace experiences and support professional development. These programs include perspectives from diverse and historically underrepresented communities and are open to all eligible employees.

- Our Pathways Professional Development program offers comprehensive group learning, practical skill-building, and ongoing peer coaching and mentoring focused on non-managerial employees of color experiences.
- Our partnership with the McKinsey Connected Leaders Academy (CLA) addresses specific challenges faced by Asian, Black and Hispanic/Latino managers and executives. Two programs are offered in the Management Accelerator Program for early- to mid-career leaders and the McKinsey CLA Executive Leadership program.
- Our AWE Management Accelerator offers career accelerator skills, including professional branding, networking and executive presence.

We continue to facilitate meaningful employee conversations centered on diversity and inclusivity. Through our “Courageous Conversations” program, pressing modern-day challenges, societal expectations, and the unique realities men encounter in today’s workplace and beyond are discussed. This initiative aims to serve as a catalyst for personal growth and have a positive impact on both employees and the broader community.

We embed inclusivity in the recruiting process with equity-focused checkpoints that promote consistent evaluation standards and mitigate bias in decision-making. These checkpoints include standardized interview questions, broader hiring panels, and job postings with gender- and disability-inclusive language.

Employee Resource Groups

The Authority’s voluntary, employee-led Employee Resource Groups (ERG) are open to all staff and help educate and engage employees. Our ERGs create opportunities for mentorship and professional development, and empower participants to share their experiences and receive support from colleagues. Historically, our six ERGs were Women in Power, Veterans, Eco Team, Generations, Pride in Power, and Multicultural. In 2025, we created a seventh ERG focused on neurodivergence and disabilities, called Abilities Beyond Limits and Expectations.



Together for Pride

In 2025, our Pride in Power Allyship ERG participated in three upstate Pride events: Buffalo Pride, Capital Pride (in Albany) and Central NY Pride. NYPA and Canals are proud of our efforts to support LGBTQIA+ rights in the workplace and communities we serve.

Protecting Our People and Promoting Well-Being

Health and Safety

The Authority's Health and Safety program is designed to comply with all regulatory requirements, including those mandated by the state Department of Labor's Public Employee Safety and Health Bureau.

Each of NYPA's sites has a regional Union Management Safety Committee that includes employee and union representation. These committees ensure that training requirements, operational safety communications, and escalation procedures are consistent and effective. Every year, NYPA conducts internal and third-party environment, health and safety compliance audits at select facilities. We also maintain a culture of health and safety through compliance, skill development and management training courses.

We advanced our commitment to employee health and safety in 2025 through three key initiatives:

- **Environment, Health and Safety Digital Solution**
  We implemented a new enterprise digital solution to manage environmental incidents, safety incidents, near misses and unsafe conditions. The solution enhances our incident data quality, incident visibility and supports continuous program improvement.
- **Safety Culture Training**
  A safety culture and leadership training initiative for managers was rolled out across operating sites. In parallel, we launched the "Why I Work Safely" campaign to reinforce the personal reasons behind our safety commitment and to build awareness of the initiative across the organization.
- **Site Safety Efforts**
  In December, we completed the removal of all per- and polyfluoroalkyl substances (PFAS) containing material in the fire suppression system at our facilities in Southeast New York, reducing environmental and personnel exposure risk.



PEOPLE SPOTLIGHT

Crane Lifting and Rigging Standard Development Team

Union collaboration was central to developing NYPA and Canals' new Crane Lifting and Rigging Standard, finalized in December 2025. The standard establishes mandatory safety requirements for lifting work, ensures Occupational Health and Safety Administration compliance, and helps to protect personnel from lifting-related hazards. It was shaped by close collaboration between NYPA/Canals leadership and union partners, with Brad Zambri and Ed Peters from NYPA serving as key contributors in the development of training materials.

Feedback from union representatives and subject matter experts from the International Brotherhood of Electrical Workers (IBEW) ensured the standard reflected real-world conditions and could be applied consistently and safely.

"Our shared goal was to develop a standard that allows employees to perform their work safely, efficiently and consistently across NYPA. The collaboration and open communication between union and management throughout this effort played a major role in its success."

— Ben Murtagh, President IBEW Local 2032 & Chief Mechanic General Maintenance STL

Employee Benefits

The Authority offers a broad range of benefits that can be customized to meet the health and well-being needs of employees and their families. This includes the Employee Assistance Program (EAP), which provides support with mental health issues and child and elder care. EAP also offers personal and career coaching services, healthy living resources, and financial and legal counsel discounts. Employee retirement planning needs are addressed through New York State's Local Retirement System or Voluntary Defined Contribution Plan.

We provide generous vacation and sick time and offer various leaves of absence programs. All employees continue to receive training on how to request reasonable accommodations for medical, pregnancy, religious or domestic violence concerns.

Mental Health First Aid Training

As an organization focused on employee safety and wellness, we offer managers a way to identify and support staff who may need mental health assistance. Our optional Mental Health First Aid certification is offered through the Mental Health Association in New York State and helps people managers identify common signs and symptoms of mental health and substance use challenges. It includes guidance on how to interact with a person in crisis, how to connect a person with help in handling trauma and substance use, and strategies for self-care. To date, 27% of managers have obtained their certifications in Mental Health First Aid across NYPA and Canals.

Safety Summit with our Contractors

The theme of NYPA's 2025 annual Safety Summit, "Guiding Excellence in Safety," brought together representatives from NYPA's Environment, Health and Safety, Strategic Supply Management, and Customer Project Delivery teams, as well as implementation contractors, to discuss NYPA's safety programs, culture and best practices.

Laying the Path for a Meaningful Career

NYPA maintains a multi-year, organization-wide development initiative to help attract and retain a high-performing, diverse workforce, and provide pathways for fulfilling careers. In 2025, we engaged business experts to support the design of the Fuel50 digital platform which will launch in 2026. This platform will provide employees with visibility into career pathways and enable internal career mobility within and across departments. Additional support resources have been created to help employees better understand role expectations and prepare for internal interviews, driving transparency and empowerment.

All full-time non-represented employees have access to our Talent Development curriculum, which provides training opportunities to meet specific learning needs. Our Risk Liaison Program and Innovation Champion Program, launched in 2025, are other ways that employees can gain exposure and develop skills outside of their typical day-to-day responsibilities. People managers are also encouraged to create customized developmental opportunities for their teams through our Catalyst Framework.

2025 Highlights

We concluded a multi-year employer branding initiative, updating internal and external messaging to more effectively engage with employees and attract talent.

NYPA employees participated in the Siemens PTI Academy Certificate programs to build expertise that supports grid reliability, transmission planning and clean energy integration.

NYPA continued its partnership with Bard College on the Sustainability MBA. Twenty-four employees have graduated from this program so far, and 15 employees are enrolled in the current cohort.

Best practices for accessibility were integrated into hiring communications, encouraging accommodation requests and fostering inclusivity.

NYPA continued to focus on early career roles through our summer Internship Program, providing an enriching developmental experience for 28 graduate and undergraduate students over 10 weeks.

We continued efforts to consolidate titles for Canals employees, creating a unified, modern civil service structure that facilitates career mobility.

The biennial Employee Engagement Survey elicited an 84% response rate from non-represented employees across the organization. Our overall engagement score has doubled since the survey was first administered in 2015.



Engineers Week

In February 2025, NYPA hosted the 7th annual Engineers Challenge Cup in celebration of Engineers Week. The friendly competition was open to NYPA and Canals employees from all disciplines—not just engineers. This year's challenge was to design and build a catapult capable of launching an object as far as possible in a straight line. More than 200 employees took part in the event, and the winning team achieved a distance of more than 30 feet.

Supporting Our Communities

The Authority promotes a range of programs and initiatives to boost local economic development across the state. These include hydropower proceeds programs, initiatives that support local and diverse suppliers, educational and workforce development programs, and recreational resources. These programs bring benefits to communities located near NYPA operating plants and along the canal system.

Building New York's Energy Workforce of Tomorrow

Workforce training is a critical component of our strategy. By investing in the education and training of the state's future workforce, we are not only preparing individuals for the jobs of tomorrow but also helping to ensure that New York remains at the forefront of the clean energy transition.

TECHNICAL TRAINING

NYPA Workforce Development: NYPA supports clean energy workforce training programs through collaboration with the New York State Department of Labor (DOL) and educational institutions across the state. NYPA allocated more than $20 million for workforce training in calendar year 2025, including $12 million for DOL programs. More than 1,700 students were trained during the first six months and more than 65% of these students were from disadvantaged communities. In 2025, NYPA also approved $10 million per year over the next four years for nuclear workforce training.

EV TRAINING

In 2025, NYPA and Hudson Valley Community College (HVCC) received a $105,000 grant from Electrify America to launch the Charging Forward: New York State ZEV Train-the-Trainer Program. This two-year initiative will train more than 100 automotive instructors and help standardize EV curriculum. The first workshops hosted in 2025 trained 53 educators at HVCC, Rockland BOCES and SUNY Oswego.

NYPA continued to collaborate with educational institutions across the state in 2025, donating eight retired vehicles along with safety equipment tools and level II chargers to eight schools and training centers. A total of 30 organizations have participated in the program since 2020.

CAREER DEVELOPMENT

Environmental Justice Internships: NYPA offers paid internships to public high school and community college students from historically underserved communities that provide hands-on experience in clean energy projects. In 2025, 78 participants earned numerous industry certifications through the internship program. Over the last five years, NYPA has welcomed 225 interns, supported by more than 200 dedicated NYPA mentors. Alumni are leading successful careers working at several Fortune 500 companies.

College Scholarships: Our Future Energy Leaders scholarship program awards $10,000 scholarships to academically accomplished, under-represented high school seniors who plan to pursue energy-related undergraduate studies. We awarded 20 of these scholarships in 2025. Since program inception, NYPA has provided scholarships to 70 students across 38 colleges, supporting majors ranging from engineering to computer science. Each award helps reduce financial barriers for students in historically disadvantaged communities.

On-the-Job Placements: Launched in 2025, NYPA's On-the-Job Placement Program offers graduates hands-on experience through one-year paid placements. In its first year, we placed two candidates with NYPA and Macan Deve Engineers, a NYS-certified women-owned business. Both employees are working on NYPA energy-efficiency projects at New York City Housing Authority facilities.



PEOPLE SPOTLIGHT

Sandra Bleckman,

Workforce Development Project Director

Sandra Bleckman leads the Clean Energy Workforce Training Initiative, forging relationships with training organizations and coordinating statewide program delivery and outcomes. Through her work with organizations such as the United Way of Long Island, she helps to connect New Yorkers to training and industry-recognized certifications that can prepare them for careers in clean energy. These efforts deliver measurable results, strengthening the clean-energy workforce and advancing economic opportunity in communities across the state.

"United Way of Long Island is grateful to the New York Power Authority for its partnership and investment in workforce development. Through NYPA's support, we have been able to expand access to our PowerUp training program, which provides hands-on green construction and energy efficiency training to more than 50 individuals annually."

— Theresa Regnante, President & CEO, United Way of Long Island

Community Economic Development

We work with businesses across the state to drive growth through our economic development and local supplier programs.

HYDROPOWER AS AN ENGINE OF ECONOMIC DEVELOPMENT

Our Western New York and Northern New York Economic Development Fund programs award funding to businesses and non-profits for projects that advance economic development and regional strategic plans. These programs, coupled with our low-cost hydropower allocation programs, drive economic growth and job creation. Our economic development awards in 2025 will spur more than $1 billion in capital investments across the state. Over the past seven years, our economic development programs have generated more than $55 billion in capital commitments and supported 450,000+ jobs in New York State.

SUPPORTING LOCAL SUPPLIERS AND BUILDING A DIVERSE AND RESILIENT SUPPLY CHAIN

By prioritizing supplier diversity and providing contracting opportunities to small, local businesses, NYPA helps strengthen local economies and build a more robust and flexible supply chain.

We are committed to assisting Minority- and Women-Owned Business Enterprises, Service-Disabled Veteran-Owned Businesses, and small business owners in building capabilities so they can compete in Authority procurements.

We collaborated with The City University of New York and LaGuardia Community College to launch PowerUp 2030, NYPA's first sector-focused business development program training small businesses on the renewables and clean energy market. The initiative equipped 42 small businesses with the tools and expertise needed to effectively compete in the sector in 2025.

In May, we hosted our annual Supplier Diversity Expo, bringing together more than 900+ registered attendees, with nearly 40% first-time attendees and 60 exhibitors. Authority representatives and suppliers were able to engage with small businesses and build stronger relationships and collaborations across the supply chain. Participants learned about new opportunities and requirements for participating in larger projects.

Through initiatives like the Sustainable Supply Chain Alliance, we collaborate with other electric utilities to conduct annual ESG supplier assessments and provide resources to help suppliers improve their sustainability performance. In 2025, we achieved 100% compliance from all suppliers invited to participate in the ESG assessment.

Being a Good Neighbor

We are driven by our commitment to be a good neighbor to communities in which we operate, including historically disadvantaged communities. We leverage our expertise in clean energy and canals management to provide no-cost programs and services to meet diverse needs. These include energy-related education for youth and adults, community energy projects, and canal revitalization initiatives.

EDUCATING ABOUT ENERGY

EnergizeU is designed to educate public school students and adults in community-based settings about electricity, energy efficiency and the clean energy transition. In 2025, we conducted 174 EnergizeU workshops in historically underserved communities, reaching 3,392 youth and 1,001 adults across eight New York State Regional Economic Development Council regions. We partnered with Buffalo State University and the New York State Master Teachers Program to train educators to deliver EnergizeU workshops in the Niagara Falls School District. These workshops integrated traditional ecological knowledge with clean energy education.

We also continued our partnership with NY Sun Works in 2025 to expand youth-centered education through the Green Classrooms program. We brought the program to 22 schools across New York City, providing 1,372 students with access to hydroponic science labs that teach sustainability, climate science, and food systems through hands-on learning.



COMMUNITY ENERGY PROJECTS

In 2025, we partnered with Solar Liberty to complete two community solar projects in Wilton, N.Y., that are delivering 14 MW of DC power. Albany is an anchor subscriber for the solar energy produced, advancing the city towards its clean energy goals.

NYPA also expanded its Community Energy Projects portfolio with the launch of Renewables for Community Impact Initiative, designed to accelerate locally driven renewable energy solutions in New York's historically disadvantaged communities. Through this portfolio, we invested more than $5 million through 15 community energy projects. NYPA also supports additional initiatives in these communities, focused on building decarbonization, e-mobility and community greening.

COMMUNITY VOLUNTEERING

In 2025, our Environmental Justice Community Volunteer Corps program partnered with local stakeholders and community organizations to host 22 volunteer and community day events. 169 Authority volunteers participated in activities such as planting trees, creating green spaces and community gardens, and renovating community facilities—contributing 644 hours of service. By investing time and resources in historically disadvantaged communities, we ensure that our colleagues are not only present, but are actively engaged, deeply connected, and dedicated to understanding and supporting the communities where we live and work.

SUPPORTING COMMUNITY REVITALIZATION ALONG THE CANALS

The Canal Corporation completed the construction of the Brockport Pedestrian Bridge over the Erie Canal in 2025. The bridge connects the SUNY Brockport campus directly to the Empire State Trail and the Village of Brockport. This infrastructure milestone is part of a broader initiative to enhance recreational and community facilities and increase accessibility in the area. It will facilitate convenient passage across the canal, and serve as a prime viewing area for rowing competitions.

In 2025, we continued efforts to revitalize the historic Guy Park Manor in Amsterdam, which was damaged during a storm in 2011. Renovation of the building's exterior was successfully completed during the year. The next phase of work will create an environmental education and resiliency park at the site. Construction is expected to commence in Spring 2026.

The Canalway Grant Program awards up to $1 million annually in competitive grants to municipalities and non-profits to support capital projects that enhance waterways and trails accessibility, strengthen local economies, showcase Canals history, improve safety, and promote environmental stewardship. Grant program awardees in 2025 included the Village of Frankfort, Feeder Canal Alliance, Wayne County, Town of Hastings, Town of Clay, Trenton Joint Fire District, Village of Canajoharie, Town of Greenwich, and Buffalo Maritime Center.

The Accessibility Education Program provides training and resources to canal excursion operators and community organizations so they can better support people with diverse abilities. In 2025, 12 organizations completed initial training and assessments. The program was selected to present at the 2025 World Canal Conference in Buffalo.

Free, Accessible Community Programming

NYPA offers free, year-round programming at our visitors centers located at the Niagara, St.Lawrence-FDR and Blenheim-Gilboa power projects, and at the NY Energy Zone in Utica. This includes interactive exhibits, educational programs, and seasonal events, as well as other resources for school groups and community organizations. The Canal Corporation also offers a range of public programs that include free and accessible outdoor, cultural, and educational opportunities along the canal system in the Western NY, Central NY, and Mohawk Valley regions.





Mutual Riverfront Park

NYPA replaced the existing dock at Mutual Riverfront Park in Buffalo's First Ward with a stable, zero-step ADA-accessible structure that allows individuals with differing abilities to launch and dock safely and independently.

Looking **Forward**

With New York entering a pivotal chapter in the clean energy transition, the Authority is well positioned to lead. Electricity demand is rising due to transportation electrification, building decarbonization, and new industries, such as semi-conductor chip manufacturing, that require steady, reliable power. The NYISO has identified emerging grid reliability challenges for New York City between 2026 and 2030, while tariffs, supply chain constraints, and expiring federal renewable energy incentives are challenging how clean energy projects are developed and integrated. Guided by VISION2030 Renewed, we are positioned to manage these risks, capitalize on emerging opportunities, and continue delivering reliable and affordable energy to our customers and communities.

New York State is pursuing an all-of-the-above approach to clean generation. NYPA will continue to expedite shovel-ready projects to accelerate renewables development and meet federal incentive timelines. For example, in early 2026, we announced our support for the Hannacroix Solar project, which NYRED intends to fully acquire and operate by the end of 2027. We are also working on our second Biennial Renewables Strategic Plan. And we are excited and proud to be advancing New York’s first new nuclear power plant in decades, evaluating technologies, business models and locations to help deliver firm, zero-emission power that complements renewables and strengthens grid reliability.

To prepare the grid for rising energy demand and enhance climate resilience, we are advancing the largest transmission overhaul in decades. With key projects on track for completion in 2026, we are preparing for the next phase of work, including a more than $1 billion planned investment in projects such as

Propel NY and the Uniondale Hub Substation Upgrade. As a trusted energy advisor, we are also striving to deepen partnerships with our customers through clean technology programs that support their decarbonization goals.

Our work extends beyond the electric system to the waterways that have shaped New York for two centuries. As we enter the third century of Canal operations, we remain focused on the safe, reliable operation of our waterways. Through the Canal Recreationway Commission 2050 plan, we have mapped out a path to increase the canal system's impact on tourism, recreation and economic development for the communities along the corridor.

Underlying these efforts are the people who make this work possible. We are strengthening our diverse, high-performing workforce so we can successfully execute our renewed strategy. At the same time, we are investing in our communities through clean energy projects, workforce training, and educational programs that ensure all New Yorkers can participate in, and benefit from, the state's clean energy transition.

Through all these efforts, the Authority will continue to deliver on its mission to provide reliable, affordable and clean energy and promote sustainable economic development, paving the way for New York's energy future.



05 DISCLOSURES INDEX



Performance Data

The metrics included in this section cover the period from Jan. 1, 2025, to Dec. 31, 2025. The Performance Data tables include key indicators that NYPA tracks, and which also align with the Global Reporting Initiative and Sustainability Accounting Standards Board. The GRI and SASB Content Indices can be found on pages 67 and 82 respectively.

Greenhouse Gas Emissions

NYPA's greenhouse gas (GHG) emissions include the following: carbon dioxide, methane (CH4), nitrous oxide (N2O), sulfur hexafluoride (SF6), and hydrofluorocarbons (HFCs). NYPA excludes reporting of perfluorocarbons (PFCs), hydrochlorofluorocarbon (HCFCs) and nitrogen trifluoride (NF3) as they are not emitted in any operations within the operational boundaries. In alignment with GRI 305, GHG emissions reported in these performance tables utilize 100-year Global Warming Potential (GWP) values from the IPCC's AR5. GHG emissions in the preceding report sections report utilize 20-year GWP values from the IPCC's AR5, in alignment with the CLCPA directive for state entities. Effective May 26, 2026, the CLCPA was amended to, among other things, direct state entities to use 100-year GWP values instead. Consistent with these amendments, future reports covering 2026 and beyond will use the 100-year GWP values.

CO2e, GWP 100-Year (Metric Tons)			
	2023	2024	2025
Scope 1 Greenhouse Gas Emissions	1,797,507	1,967,627	1,722,616
Scope 2 Greenhouse Gas Emissions (Location-Based)	38,975	90,659	71,798
Scope 2 Greenhouse Gas Emissions (Market-Based)	38,974	90,524	71,816
Total Scope 1 & 2 Emissions (Market-Based)	1,836,481	2,058,151	1,794,432
Scope 3 Cat 1 – Purchased Goods and Services		28,564	44,843
Scope 3 Cat 2 – Capital Goods		105,274	70,200
Scope 3 Cat 3 – Upstream Fuel- and Energy-Related Activities	5,428,374	5,987,905	4,328,598
Scope 3 Cat 6 – Employee Business Travel	805	813	899
Scope 3 Cat 7 – Employee Commuting	5,545	5,947	5,698
Total Reported Scope 3 Greenhouse Gas Emissions	5,434,724	6,128,503	4,450,238
Biogenic (Mobile Sources)		31	9

2025 Gases (Absolute Metric Tons)					
	CO2	CH4	N2O	HFCs	SF6
Direct (Scope 1)	1,706,952	33	4	—	1
Scope 2 Greenhouse Gas Emissions (Location-Based)	71,622	3	—	—	—
Scope 2 Greenhouse Gas Emissions (Market-Based)	71,640	3	—	—	—
Scope 3 Cat 1 – Purchased Goods and Services	37,700	208	5	—	—
Scope 3 Cat 2 – Capital Goods	59,156	332	7	—	—
Scope 3 Cat 3 – Upstream Fuel- and Energy-Related Activities	3,944,088	13,522	22	—	—
Scope 3 Cat 6 – Employee Business Travel	847	1	—	—	—
Scope 3 Cat 7 – Employee Commuting	5,673	—	—	—	—
Total Reported Scope 3 Greenhouse Gas Emissions	4,047,464	14,064	34	—	—
Biogenic (Mobile Sources)	9	—	—	—	—

2025 Gases, GWP-100 Year (Metric Tons)					
	CO2	CH4	N2O	HFCs	SF6
Direct (Scope 1)	1,706,952	935	1,032	—	13,698
Scope 2 Greenhouse Gas Emissions (Location-Based)	71,622	82	93	—	—
Scope 2 Greenhouse Gas Emissions (Market-Based)	71,640	82	93	—	—
Scope 3 Cat 1 – Purchased Goods and Services	37,700	5,822	1,321	—	—
Scope 3 Cat 2 – Capital Goods	59,156	9,298	1,746	—	—
Scope 3 Cat 3 – Upstream Fuel- and Energy-Related Activities	3,944,088	378,622	5,888	—	—
Scope 3 Cat 6 – Employee Business Travel	847	31	21	—	—
Scope 3 Cat 7 – Employee Commuting	5,673	5	19	—	—
Total Reported Scope 3 Greenhouse Gas Emissions	4,047,464	393,778	8,996	—	—
Biogenic (Mobile Sources)	9	—	—	—	—

GHG Emissions Intensity			
	2023	2024	2025
Total Generation (MWh)	26,924,316	27,414,161	24,685,763
Fossil Generation (MWh)	4,304,865	4,789,195	4,048,435
Direct (Scope 1) Total Intensity (MT CO2e/MWh)	0.067	0.072	0.070
Direct (Scope 1) Fossil Intensity (MT CO2e/MWh)	0.418	0.411	0.426

[1] Read the full **Statement of Greenhouse Gas Emissions with Independent Accountants' Review Report** (limited assurance, Scopes 1, 2, certain Scope 3 GHG emissions, and GHG intensities for the year ended 2025) thereon.

Nitrogen Oxides (NOx), Sulfur Oxides (SOx) and Other Significant Air Emissions

Reportable emissions from our fossil generating assets in Southeastern New York.

	2023	2024	2025
NOx (excluding N2O) (kg)	159,132	165,358	161,185
SOx (kg)	9,309	10,122	9,455
Volatile Organic Compounds (VOC) (kg)	18,002	19,421	18,408
Hazardous Air Pollutants (HAP) (kg)	15,063	16,819	14,336
Particulate Matter - Total PM (kg)	13,575	34,720	32,875

Water Withdrawal and Consumption

	2023	2024	2025
Total volume of water withdrawn (billion kiloliters)[1]	2,899.49	2,978.85	2,673.57
Water withdrawn from surface water (billion kiloliters)	2,899.49	2,978.85	2,673.57
Water withdrawn from ground water (kiloliters)	565,651.00	700,582.11	544,594.00
Water withdrawn in regions with high or extremely high baseline water stress (%)	0.0000195	0.00000007	0.0000002
Total volume of water consumed (kiloliters)[2]	6,692,587	6,773,822	6,660,511
Water consumed in regions with high or extremely high baseline water stress (%)	8.20	6.51	4.92

[1] Water withdrawn to serve Niagara and St. Lawrence-FDR turbines at hydro facilities (and returned/discharged). Also includes water withdrawals for operating Flynn power station Municipal water is not included.

[2] Consists of water evaporation at Niagara plus at Flynn Plant, calculated as the difference between well water withdrawn and water reinjected. Municipal water is not included.

Waste Generated, Directed to Disposal and Diverted From Disposal[3]

Non-hazardous wastes are not included in reporting scope for 2025 or prior years. NYPA is evaluating ways to track non-hazardous waste in the future.

NYPA Hazardous Waste (Metric Tons)[3]			
	2023	2024	2025
Total weight	9.54	4.05	2.85
Recycling	0.02	0.03	0.00
Incineration (mass burn)	9.15	4.02	2.85
Landfill	0.27	0.00	0.00
Other	0.10	0.00	0.00

Canals Hazardous Waste (Metric Tons)[3]			
	2023	2024	2025
Total weight	11.91	12.21	7.36
Recycling	0.00	0.14	0.00
Incineration (mass burn)	0.56	0.48	3.43
Landfill	11.35	11.59	2.93
Other	0.00	0.00	1.00

[3] All hazardous waste disposed or diverted from disposal conducted off-site for NYPA and Canals.

2025 Electric Rates and Rate Comparisons

NYPA Customer Segments	NYPA Generation Asset Rates ($/MWh)	Utility/Market Rate Estimates ($/MWh)
Residential	NA	NA
Hydro Cost-Based ($)	12.88	65.25
Hydro Economic Development ($)	30.05	63.95
Hydro Industrial ($)	40.40	56.95
NYC Governmental ($)	81.95	119.54

Representative Risks and Opportunities Arising From External Factors, and Actions That Affect Affordability

External Factors[1]	Risks	Opportunities	NYPA Actions
Economic hardships	Customer inability to pay electric bills	▪ Build strong relationships with communities and customers ▪ Promote business growth and economic resilience	Offer tailored rate structures and rate plans that provide significant customer savings compared to utility service Execute long-term contracts to provide rate stability Provide customer and community energy efficiency programs and services that lower bills (and reduce greenhouse gas emissions) Open communication and transparency on rate changes to help customers plan and budget
Carbon transition	Transition to microgrids, wind and solar, reducing NYPA's competitive advantage and increasing rates	▪ Expand customer clean energy services programs	Expand transmission to interconnect renewables Continue generating clean reliable energy for NYS (hydropower) Provide building and vehicle energy efficiency, electrification and renewable energy services to customers
Physical impacts of climate change	Physical impacts to infrastructure and inability to meet customer needs	▪ Invest in innovation, efficiency and growth to meet changing customer and stakeholder needs	▪ Conduct climate vulnerability assessment and spillway analysis ▪ Harden NYPA assets ▪ Enhance biodiversity and climate resilience of NYPA land ▪ Expand clean energy services offerings

[1] This list of external factors is not exhaustive.

Headcount[1]

Composition by Employment Type			
	Female	Male	Total
NYPA			
Permanent	584	1,676	2,260
Provisional	11	12	23
Temporary	8	17	25
—or—			
Full time	593	1,701	2,294
Part time	10	4	14
NYPA Headcount, total	603	1,705	2,308
CANALS			
Permanent	78	393	471
Provisional	0	4	4
Temporary	7	28	35
—or—			
Full time	85	425	510
Part time	—	—	—
Canals Headcount, total	85	425	510

Composition by Gender and Age						
	Females	Females (%)	Males	Males (%)	Total Headcount	Total Headcount (%)
NYPA						
Under 30	56	2%	169	7%	225	10%
30 – 50	347	15%	950	41%	1,297	56%
Over 50	200	9%	586	25%	786	34%
Total	603	26%	1,705	74%	2,308	100%
CANALS						
Under 30	12	2%	56	11%	68	13%
30 – 50	38	8%	199	39%	237	47%
Over 50	35	7%	170	33%	205	40%
Total	85	17%	425	83%	510	100%

[1] In the Disclosures Index, “headcount” refers to active permanent, provisional and temporary employees, full-time and part-time, as well the chairman, unless otherwise indicated as of Dec. 31, 2025.

Headcount by Gender and Race													
	Amer Indian		Asian		Black		Hispanic		Two or More Races		White		Grand Total
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
NYPA													
Management	1	10	87	211	64	63	59	121	12	18	278	774	1,698
Union	1	9	1	5	5	15	2	9	0	3	93	467	610
Total	2	19	88	216	69	78	61	130	12	21	371	1,241	2,308
CANALS													
Management	0	0	0	0	1	0	1	1	0	0	16	28	47
Union	0	0	3	1	2	4	3	14	0	3	59	374	463
Total	0	0	3	1	3	4	4	15	0	3	75	402	510

2025 NYPA DEIA[1] Recruitment and Engagement Indicators.

	Female	Male	Gender Non-Disclosed	POC[3]	White	Ethnicity Non-Disclosed
Candidate Offers (%)	21.1	61.9	16.4	35.0	50.4	14.6
Candidate Hires (%)	21.4	62.2	17.0	34.8	50.7	14.5
Staff in Mentorship[2] (3% of eligible management population elected mentoring opportunity)	42.5	57.5	0.0	67.5	32.5	0.0

[1] Diversity, equity, inclusion and accessibility

[2] Mentoring available to permanent management employees with at least a year of service.

[3] People of Color (POC) defined as self-identified for race/ethnicity for American Indian, Asian, Black, or African American, Hispanic, or Latino and Two or More Races.

2025 NYPA[1] Gender, Regional Workforce Population, Race or Ethnicity (%) Compared to Utility[2] and/or New York State[3]

Gender (%)				
	NYPA	Utility Benchmark	New York State Population (2018-2022)	New York State Population (2024-2025)
Male	74	76	48	52
Female	26	25	52	48

Regional Workforce Population								
NYPA Total	Capital Region	Central New York	Hudson Valley	Long Island	Mohawk Valley	New York City	North Country	Western New York
2,308	109	11	1,091	17	362	73	302	343
100%	5%	1%	47%	1%	16%	3%	13%	15%

Headcount by Gender and Race (%)																		
	Capital Region			Central New York		Hudson Valley		Long Island		Mohawk Valley		New York City		North Country		Western New York		
	NYPA	Utility Benchmark	NYS Population (2019-2023)	NYPA	NYS Population (2019-2023)	NYPA	NYS Population (2019-2023)	NYPA	NYS Population (2019-2023)	NYPA	NYS Population (2019-2023)	NYPA	NYS Population (2019-2023)	NYPA	NYS Population (2019-2023)	NYPA	NYS Population (2019-2023)	NYPA	NYS Population (2019-2023)
Asian, excluding Hispanic or Latino	13	2	8	13	4	0	3	24	4	6	6	3	2	23	12	0	1	1	3
Black or African American, excluding Hispanic or Latino	6	8	12	1	7	9	6	10	10	0	8	2	3	15	17	0	2	6	8
Hispanic or Latino	8	3	16	5	5	0	4	14	18	12	17	1	5	19	21	1	3	4	5
White, excluding Hispanic or Latino	2	85	49	4	77	0	81	2	51	0	54	1	83	7	30	3	89	4	77
Other Race, excluding Hispanic or Latino	70	1	16	78	8	91	7	51	17	82	15	93	6	36	20	96	6	86	7

[1] Does not include Canals headcount.

[2] From PriceWaterhouse Coopers 2020 Benchmark Survey of 59 public and private utilities and the Women in the Workplace 2021 report.

[3] NYS DOL division of research & statistics. Source: 2019–2023 years American Community Survey (Tables B21005, B23001, C18120, C23002A, C23002B, C23002D, C23002I, B23006), ACS. Demographics of the Civilian Labor Force for NYS and the NYS Labor Market Regions. NYPA's White Plains office is in the Hudson Valley, Albany administrative office is in the Capital Region, Syracuse administrative office is in Central NY, Flynn Plant is in Long Island, small natural gas power plants and Zeltmann Power Project are in New York City, Clark Energy Center and Blenheim-Gilboa Pumped Storage Power Project and small hydro facilities are in Mohawk Valley, St. Lawrence-FDR Power Project and Massena office are in North Country, and Buffalo office and Niagara Power Project are in Western NY.

Diversity of Governance Bodies (%)

NYPA & Canals Board of Trustees and Executive Management Committee composition as of Dec. 31, 2025.

	Female	Male	Total
Under age 30	0	0	0
Age 30–50	12	12	24
Over age 50	29	47	76
Total	41	59	100

NYPA and Canals Supplier Diversity Spend

NYPA and Canals Supplier Diversity spend is based upon established New York State certification requirements and criteria for MWBE[1] and SDVOB[2] firms. Utilization data, a key component to measure our success, is submitted to the state of New York each quarter, and our utilization growth plans and outreach activities are integral parts of our Annual Master Goal Plans that is submitted and approved by the state.

Total Spend	2025
NYS-certified MWBEs ($)	$125,999,743
NYS-certified SDVOBs ($)	$15,268,209

[1] Minority and Women's Business Enterprise (MWBE)

[2] Service-Disabled Veteran Owned Business (SDVOB)

Hours of Training Per Year Per Employee

	NYPA				Canals		
	2023	2024	2025		2023	2024	2025
Female	28.4	32.0	33.5	Female	31.9	41.0	32.7
Male	50.0	47.0	51.6	Male	56.5	61.0	56.3
Total	44.3	43.3	46.9	Total	52.5	58.3	52.3

Performance and Career Development Reviews

Overall percentage of full-time NYPA non-represented employees receiving regular performance reviews. Canals does not have a formal performance review process but is developing a comprehensive plan. NYPA & Canals Board of Trustees and Executive Management Committee composition as of Dec. 31, 2025.

Employees Receiving Performance Reviews (%)			
	2023	2024	2025
Female	98	92	94
Male	98	96	97
Total	98	95	96

Collective Bargaining Agreements

Employee composition as of Dec. 31, 2025.

Employees Covered by Collective Bargaining Agreements (%)			
	Female	Male	Total
NYPA	17	30	26
Canals	79	93	91

Work-Related Injuries

NYPA Health & Safety Performance			
	2023	2024	2025
Employee DART rate	0.80	0.99	0.87
Total employee recordable injury rate	1.55	1.98	1.68
Total employee serious injuries[1]	2	0	0
Total employee fatality rate	0	0	0
Number of near misses	395	424	382

Canals Health & Safety Performance			
	2023	2024	2025
Employee DART rate	3.96	4.57	4.11
Total employee recordable injury rate	6.05	6.96	8.00
Total employee serious injuries[1]	1	2	0
Total employee fatality rate	0	0	0
Number of near misses[2]	0	0	0

[1] This measure tracks incidents that meet the criteria of being a serious injury or fatality (SIF) based on a standard definition used by the Edison Electric Institute. Serious Injuries was developed to be a metric that better facilitates the prevention of fatalities and serious injuries that are life-threatening or life-changing for the employee. The metric should reflect the extent of serious injury to employee(s) from events within the control of the employee or employer. Serious injuries is the number of employee injuries classified as serious or fatal based on the definition used by the Edison Electric Institute for serious injuries times 200,000 (derived from the Occupational Safety and Health Administration's definition which hypothesizes 100 full-time employees working 2,000 hours per year) divided by the number of person-hours worked in the period.

[2] Canals does not have a Near Miss program. Safety program development has been focused on incidents (i.e., injuries), DART rate and safety training. We are developing a Near Miss program, and data will be included in future reports.

GRI Content Index

Statement of Use	NYPA has reported in reference to the Global Reporting Initiative for the period Jan. 01, 2025 to Dec. 31, 2025.
GRI 1 Used	GRI 1: Foundation 2021

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 2: General Disclosure 2022			
		The Organization and its Reporting Practices	
2-1	Organizational details	About Us	NYPA's administrative offices are located in White Plains, NY.
2-2	Entities included in the organization's sustainability reporting	About Our 2025 Integrated Report	
2-3	Reporting period, frequency and contact point	About Our 2025 Integrated Report	Reported annually from Jan. 1st to Dec. 31st. For more information, reach out to generating.sustanability@nypa.gov.
2-4	Restatements of information		
2-5	External assurance		NYPA obtained independent limited assurance for Scopes 1, 2, certain Scope 3 GHG emissions, and GHG intensities for the year ended 2025 data, in accordance with the Greenhouse Gas Protocol and following the guidance in GRI 305-1, 305-2 and 305-4.
		Activities and Workers	
2-6	Activities, value chain and other business relationships	About Us Strategy & Value Creation Performance & Outlook	NYPA and Canals secure suppliers to support critical operations, maintenance and capital projects, as well as bulk electric system, power plant, canal system, trailway and energy efficiency projects. To support NYPA and Canals, 2,007 contractors, consultants and equipment suppliers, among others, are engaged.
2-7	Employees	Stakeholders Supporting Our People and Communities Performance Data	
2-8	Workers who are not employees		As projects warrant, non-employees (consultants and contractors) are hired to augment design work, inspection and construction activities.

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 2: General Disclosure 2022			
		Governance	
2-9	Governance structure and composition	Governance Performance Data	
2-10	Nomination and selection of the highest governance body	Maintaining Sound Governance	
2-11	Chair of the highest governance body	Message From the Authority's Leadership Maintaining Sound Governance	
2-12	Role of the highest governance body in overseeing the management of impacts	Message From the Authority's Leadership Maintaining Sound Governance	
2-13	Delegation of responsibility for managing impacts	Risk Management	
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance	
2-15	Conflicts of interest	Maintaining Sound Governance Risk Management	NYPA's Code of Conduct requires its employees, officers and trustees to disclose any potential personal or professional conflicts of interest to the Ethics and Compliance Office. Reported conflicts are evaluated to determine their relevancy and whether corrective actions, including recusals from participation in certain business activities and projects, need to be implemented. Conflicts of interest may arise from various events, including former employment, current or former board or commission affiliations, familial relationships, personal investments, community activities and otherwise. NYPA's Board of trustees is also subject to the "Board of Trustees Conflicts of Interest Procedure," which requires the disclosure of any potential conflict of interest with individuals or entities that will appear on meeting agendas. The Corporate Secretary's Office provides the agendas to the Trustees in advance of the meetings and records conflict of interest disclosures in the meeting minutes. In certain instances, these disclosures lead to recusals from participation on the identified items.
2-16	Communication of critical concerns	Maintaining Sound Governance	Critical concerns are raised to the Executive Management Committee and Governance Committee of the Board of Trustees by the Ethics and Compliance Office on an as-needed basis. The Investigative Trends Committee (Ethics and Compliance, Employee Relations, Labor Relations, Office of Civil Rights and Inclusion) reports to the Governance Committee of the Board of Trustees on allegations and concerns statistics, including volume of cases, substantiation rates and corrective actions. NYPA employees are required by law to report instances of fraud, waste and abuse to the state Inspector General's Office. NYPA's Office of Ethics and Compliance collaborates with the state Inspector General's Office and state Commission on Ethics and Lobbying in Government on investigations and information requests.

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 2: General Disclosure 2022			
			Governance
2-17	Collective knowledge of the highest governance body		NYPA's Board of Trustees is advised regularly on the organization's sustainability progress, through presentations by staff on implementation of NYPA's strategic plan (VISION2030 Renewed); progress reports on implementation of NYPA's 2023 expanded authority to, among other things, develop new renewable generation; review of annual integrated reports and other plans and reports on NYPA's sustainability work; and proposed capital projects and budgets that are aligned with the Authority's mission, sustainable development and New York State's sustainable energy policy including the Climate Leadership and Community Protection Act.
2-18	Evaluation of the performance of the highest governance body		On an annual basis, each board member completes an evaluation of its performance to meet the obligations under the Public Authorities Law. The evaluation provides an opportunity for board members to measure their individual and collective effectiveness in determining if they are following NYPA policies and procedures that apply to them, identifying areas for board improvement and to compare how their evaluation of the board's performance compares to that of other board members. These evaluations are conducted confidentially with the results compiled by the governance committee and submitted to the Authorities Budget Office. This evaluation identifies any need to improve its performance, amend its practices or procedures and clarify its expectations. Each member is committed to the highest standards of corporate governance and must hold itself accountable to the mission of the Authority and the public's interest.
2-19	Remuneration policies		Senior executives and non-represented employees at NYPA are compensated under the same compensation philosophy and remuneration policies. Variable pay is not part of our compensation program. The philosophy is built on total remuneration including base salary and benefits. Fixed pay: We provide annual merit increases based on performance against pre-established goals and leadership competencies. Senior executives set goals in alignment with VISION2030. Each executive is assessed on their performance against those goals and competencies, and the result of the assessment forms the foundation for a salary increase. Sign-on statement: Recruitment incentives for the purpose of attracting staff may be recommended for vice president and above positions, however, these incentives may also be offered for high-skill, high-demand positions primarily in STEM fields. Incentives may be offered up to 10% of the midpoint of the salary range and include a two-year full repayment agreement in the event of voluntary resignation or termination for cause. Separation from Service/Severance Policy: Severance pay shall be given to an eligible employee who is involuntarily terminated through no fault of their own because of a layoff, reduction-in-force, restructuring or reorganization. Eligible employees are offered severance based on the length of service ranging from two weeks to a maximum of 12 weeks. Retirement plan statement: NYPA participates in the NYS Retirement System with individuals selecting a defined benefit or defined contribution option based on employment and salary. Additionally, employees may elect to participate in NYPA's defined contribution savings plan options, which include a 401(k)-plan providing a match of $0.50 per dollar for the first 6% of pre-tax or Roth contributions. There is also a 457 plan. Those employees who meet eligibility criteria, including length of service, are eligible for NYPA retiree benefits, which provide retiree medical, Medicare part B reimbursement and life insurance plans.

GRI #	GRI Disclosure	Report Section	Additional Information
			GRI 2: General Disclosure 2022
			Governance
2-20	Process to determine remuneration		The Power Authority of the State of New York (“NYPA”) By-laws empower the Trustees to establish policies regarding the payment of salary to management staff in accordance with NYPA program guidelines. The program structure is designed using several national annual salary surveys and a custom Total Remuneration (Total-R) study. These surveys are conducted by independent consulting firms and include public and private utilities and assess national and global best practice methodologies. Compensation packages within the markets assessed vary greatly based on organizational structure, position responsibilities and government sector limitations. NYPA’s target Total-R strategy uses a competitive approach to determine the current market value of our jobs. The program is designed to be objective and non-discriminatory. It is also flexible enough to ensure that the company can recruit and retain a highly qualified workforce. NYPA’s compensation philosophy guides decision-making for compensation program administration taking into consideration market competitiveness, internal equity, flexibility, and performance management. An individual’s placement within a salary range depends upon factors such as an individual’s performance, knowledge, skills, and abilities.
2-21	Annual total compensation ratio		Annualized base ratio 3.09, annualized actual earnings 3.27. Ratio of the percent increase in base annual compensation for the organization’s highest-paid individual to the median percentage increase base annual compensation for all employees is 0.8. Ratio of the percentage increase in annual actual compensation for the organization’s highest paid individual to the median percentage increase actual compensation for all employees is 0.077. Information based on all NYPA and Canals full-time represented and non-represented individuals employed for the full year 2025. (Part-time employees make up 3% of the population; 2025 hires make up 18% of the population.) Ratio for increase in annual actual compensation is based on same criteria for individuals employed the full year of 2025 and 2024.
			Strategy, Policies and Practices
2-22	Statement on sustainable development strategy	Message From the Authority's Leadership	
2-23	Policy commitments	Governance	Compliance-related activities are overseen by the Executive Management Committee and the Board of Trustees’ Audit, Governance, and Finance & Risk committees, reinforcing the commitments of NYPA's and Canals’ leaders to institutionalize a culture of compliance across the organization. NYPA has a company Sustainability Policy as well as comprehensive company policies and procedures that address the issues identified in the Authority’s 2024 materiality assessment. These include NYPA’s and Canals’ Code of Conduct, eGRC Governance, Health & Safety Program, Reasonable Accommodations, Anti Retaliation, Workplace Violence, Equal Employment Opportunity, Anti-Harassment, Anti-Discrimination, Environmental, Internal Controls, Federal Energy Regulatory Commission (FERC) Standards of Conduct, Energy Market Manipulation, North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection, Risk & Resilience, Cyber Security, Guidelines for Procurement Contracts, Expenditure Authorization Procedure, Strategic Supply Management, Supplier Diversity, Environment, Health and Safety Compliance Audit Program, Internal Audit Charter, Physical Security Policy, Ethics and Compliance Program, Crisis Management, Reliability Standards Compliance and Asset Management. Company policies are also supplemented by department level policies and procedures as well as NYPA’s and Canals’ Code of Conduct. Additional information on policy commitments relating to specific material issues can be found in the Governance section and throughout the report.

GRI #	GRI Disclosure	Report Section	Additional Information
			GRI 2: General Disclosure 2022
			Strategy, Policies and Practices
2-24	Embedding policy commitments	Governance	To ensure compliance on an enterprise-wide level, the Office of Ethics and Compliance (OEC) maintains a Compliance Repository, an electronic inventory of mandatory external reporting and training requirements (statutory and regulatory) affecting NYPA, Canals and its employees. The repository contains detailed information about reports required to be developed and submitted to external parties, as well as training required to be provided to employees. There are approximately 400 profiles affecting NYPA and Canals. Designated compliance liaisons are required to review and update the Compliance Repository twice annually and confirm that the content is accurate, revise actual reporting dates, add new reporting or training requirements, or delete items which are no longer applicable. The OEC initiates annual individual reviews of the repository by business unit heads, who certify that the information under their areas of responsibility is accurate. NYPA's attorneys are requested to validate the requirements assigned to them and ensure these obligations remain applicable to NYPA and Canals. The OEC annually issues training content focused on the Compliance Repository with the goal of helping compliance liaisons reinforce and understand their roles related to maintaining and tracking reporting and training requirements in compliance with statutory and regulatory mandates. The repository is a critical component of NYPA and Canals' Corporate Compliance Program, which supports the missions of NYPA and Canals and VISION2030 Renewed. NYPA and Canals also have an Employee Code of Conduct, which provides clear expectations for responsible and professional workplace conduct in alignment with the New York State Public Officers Law. NYPA and Canals continue to ensure that all employees and affiliates are aware of their workplace rights and associated expectations. In 2025, NYPA consolidated policies and procedures related to Equal Employment Opportunity (EEO) and Reasonable Accommodations and offered training to all managers on how to deliver feedback. We continue to partner with key stakeholders at the state level, including the Office of Employee Relations, the Office of Diversity and Inclusion Management and the Chief Disability Officer. Enterprise-wide there was a continued effort to ensure and expand accessibility in the workplace.
2-25	Processes to remediate negative impacts	Governance	NYPA provides different channels to report grievances and has various processes and key performance indicators in place to remediate negative impacts. For example, the Strategic Supply Management department leverages risk mitigation tools to identify and assess potential risks, including but not limited to financial and operational risks, at contract award and to monitor suppliers throughout the project lifecycle. Another example is NYPA's EVolve NY charging network that is supported by vendor-operated 24/7 call centers and monitoring of PlugShare scores, charger data and emails from end users. NYPA processes are also overseen by regulatory agencies, such as the NERC and Northeast Power Coordinating Council. NYPA's Reliability Standards and Compliance group interfaces with external and internal stakeholders to ensure robust regulatory posture. Internal controls such as Potential Non-Compliance hotline, Reliability Standards and Compliance assessments are utilized to identify, investigate and self-report NERC non-compliance issues to regulatory bodies. All complaints of protected class employment discrimination are investigated internally via the Office of Civil Rights and Inclusion, in consultation with the state Office of Employee Labor's Relations' Anti-Discrimination Investigations Division, and/or externally by federal, state, and local enforcement bodies (ex: EEO Commission; New York State Division of Human Rights).

GRI #	GRI Disclosure	Report Section	Additional Information
			GRI 2: General Disclosure 2022
			Strategy, Policies and Practices
2-26	Mechanisms for seeking advice and raising concerns	Governance	The Human Resources Department is available to all employees to provide advice or address concerns. All employees may report to the Office of Ethics and Compliance any issues relating to potential violations of the state's Public Officers Law, failure to comply with policies, regulations and laws or any other related misconduct. Bargaining unit employees can also report grievances pursuant to their collective bargaining agreements and may seek assistance from Labor Relations managers. All employees may report discrimination via the EEO Complaint process set forth in the EEO policy: internally via the state's Anti-Discrimination Investigations Division, and externally to federal, state and local oversight bodies (EEO Commission and Human Rights Commission). NYPA also has an external Employee Concerns Line for employees to report allegations or concerns related to ethical issues, statutory and regulatory compliance, and adherence to policies and procedures. All New York State employees have a statutory obligation to report suspected fraud, waste and abuse to the New York State Office of the Inspector General. Employees are encouraged to seek advice or support on work-related matters and concerns. Employee Relations supports general inquiries, coaching/consultations and complaints (non-EEO or Ethics). Complaints typically refer to work-related concerns such as employee conduct, policy and procedure violations, management behavior or treatment, workplace conflicts, and performance. NYPA’s Discrimination and Harassment Investigation Executive Review Committee prescribes administrative action where NYPA’s Office of Civil Rights and Inclusion investigation of allegations of Employment-Related Protected Class Discrimination results in (1) an unsubstantiated determination against the respondent in the case; and (2) the identification of other conduct or policy violation results in the recommendation of further administrative action. There is also a cross-departmental Investigative Trends Committee (Employee Relations, Ethics and Compliance, Labor Relations, OCRI) which meets quarterly and provides updates to the Governance Committee of the Board of Trustees to review investigations and related data and activities enterprise-wide
2-27	Compliance with laws and regulations	Risk Management	NYPA has internal controls to ensure compliance with laws and regulations including governance documents internalizing legal and regulatory requirements. NYPA's and Canals' facilities uphold compliance with all relevant international declarations, conventions and treaties, as well as national, sub-national, regional and local regulations. All NYPA and Canal facilities and projects maintain the requisite permits, spill prevention plans, physical protection barriers, mitigation measures and other applicable requirements necessary for environmental compliance. Therefore, all instances of environmental disturbance are properly addressed in accordance with regulatory procedures. NYPA and Canals do not have any significant instances of non-compliance with laws and regulations to report for the 2025 reporting period. No fines or penalties were paid or incurred due to environmental non-compliance with laws and regulations during the reporting period or previous reporting period. NYPA and Canals were not subject to non-monetary sanctions by regulatory agencies for non-compliances reported during the reporting period. For NERC Reliability Standards specifically, as mandated by FERC, NYPA has established internal controls to ensure compliance with applicable Standard requirements. Through NYPA’s oversight and management of our Reliability Standards Compliance Program, NYPA identified and self-logged/self-reported to our regulator’s instances of non-compliance; 2023: 12, 2024: 8, 2025: 11. None of the instances of non-compliance from these reporting years incurred monetary fines. As part of the self-logging/self-reporting process, NYPA developed and implemented mitigation plans which were approved and accepted by our regulator.
2-28	Membership associations		NYPA is a member of the American Public Power Association, the Electric Power Research Institute, National Hydropower Association, Electric Utility Industry Sustainable Supply Chain Alliance, the New York State Economic Development Council and the Large Public Power Council. Other memberships and partnerships are referenced throughout the report where relevant.

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 2: General Disclosure 2022			
		Stakeholder Engagement	
2-29	Approach to stakeholder engagement	Stakeholders Partner With Our Customers Supporting Our People and Communities	We view stakeholder engagement as integral to the success of our operations. Through all our work—from bringing the community into the process of planning and developing infrastructure projects, to customer service, and local partnerships—we use proactive two-way communication to ensure stakeholder perspectives are heard, their expectations are understood and, where possible, their needs are met. We communicate through regular channels like traditional and social media, and personal contact through community programs, workshops, public meetings, surveys, policy discussions, industry conferences, and our own visitor centers. Representative stakeholders include the people of New York State, NYPA and Canals board members, employees, labor unions, community organizations, schools, local residents, customers, suppliers, contractors, and business partners, regulators and elected officials, industry organizations and peers, climate and energy advocacy organizations, investors and strategic partners, rating agencies, and membership associations.
2–30	Collective bargaining agreements	Performance Data	
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Integrating Sustainability	
3-2	List of material topics	Integrating Sustainability	
3-3	Management of material topics	Integrating Sustainability	

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 101: Biodiversity			
101-1	Policies to halt and reverse biodiversity loss		NYPA does not currently have a formal biodiversity policy. Instead, it has made public commitments to support biodiversity and nature in its corporate strategy (VISION2030 Renewed) and 2021-2025 Sustainability Plan. In its Sustainability Plan, NYPA committed to supporting biodiversity and natural carbon storage and to protecting riparian ecosystems across its operating system. These commitments apply system-wide and are adopted voluntarily where appropriate. NYPA also has an internal company policy enshrining its use of sustainable vegetation management practices on its Transmission Rights-of-Way. Around NYPA's hydroelectric generation facilities, NYPA implements programs to establish pollinator habitat, increase native tree canopy cover, and improve forest health and resilience. Along Canal landholdings and trail, NYPA is establishing pollinator habitat. On its Transmission ROW, NYPA manages vegetation using Integrated Vegetation Management (IVM), a process which allows the establishment of diverse, stable, low growing plant communities that are compatible with the safe and reliable transmission of power. NYPA has been recognized and accredited as a IVM ROW Steward Utility by the Right of Way Stewardship Council since 2013. Through our long-standing Tree Power program, , NYPA distributes native trees to customers across the state. NYPA has an internal goal to distribute at least 1,000 native trees each year, see 101-2 for performance. through the program and we distributed 1,692 trees in 2025.

GRI #	GRI Disclosure	Report Section	Additional Information
I01-2	Management of biodiversity impacts		To minimize operational impacts, NYPA complies with all relevant state and federal environmental regulations, including FERC requirements. NYPA's FERC licensing agreement requires extensive restoration, including funding to restore ecosystems, habitats, and species potentially impacted by the operation of NYPA's facilities. Going beyond compliance, in 2025 NYPA completed enrolment of all its landholdings in a voluntary nationwide monarch conservation agreement, thereby committing to managing its lands with monarch-friendly practices, preserving habitat, and supporting this declining species. NYPA is evaluating opportunities to restore degraded ecosystems on its land including continuing to convert mowed turf grass to meadows. In 2025, NYPA reduced mowing on 44 acres and delineated 15 additional acres for reduced mowing. This not only created habitat for pollinators and wildlife, but avoids greenhouse gas emissions from the use of lawn equipment. NYPA also completed its first forest management plan to evaluate opportunities to increase forest health and resilience by implementing sustainable management practices. NYPA is developing a Habitat Conservation Plan (HCP) to provide protections for three protected bat species (Indiana bat, Northern Long-eared bat and Tricolor bat); this HCP will allow continued work activities while mitigating the anticipated disturbances to these species. NYPA offsets its impacts offsite with our customers and communities. NYPA continues to incentivize the planting of native trees across New York and distributed 1,692 trees through its program Tree Power in 2025. Also in 2025, NYPA supported the Wildlife Conservation Society's Eastern Hellbender Conservation Project at the Bronx Zoo. Biodiversity management plans are available for Wilson Hill Wildlife Management Area, part of NYPA's St. Lawrence (STL)-FDR Power Project. A Round Goby Rapid Response plan was published to guide the Canal Corporation's management response to the detection of the invasive round goby. Implementation of the plan is ongoing. NYPA's Transmission ROWs are managed with IVM and governed by a long range vegetation management plan. This process involves careful management of vegetation to ensure the safe and reliable transmission of power while also promoting biodiversity. NYPA aims to optimize climate mitigation, adaptation and biodiversity objectives on its current landholdings and future developments. NYPA's transmission ROWs are managed with Integrated Vegetation Monitoring and governed by a long range vegetation management plan. This process involves careful management of vegetation to ensure the safe and reliable transmission of power while also promoting biodiversity. NYPA also aims to support customer and community efforts. For example, NYPA's customer and community native tree match program, Tree Power, incentivizes nature-based solutions, increasing carbon storage and energy efficiency, and promoting biodiversity by offering native trees chosen specifically to benefit pollinators and other wildlife. "NYPA's FERC licensing agreement requires extensive community engagement and stakeholder discussions to determine which restoration projects will have the greatest benefit for communities and the environment. NYPA's generation sites offer free outdoor recreation to the public, including hiking trails and boat launches. The native pollinator gardens and meadows at its visitors centers and along the canal trail are accessible to the public. NYPA and Canals also partner with local invasive species management groups to raise awareness and train volunteers on invasive species management efforts.
101–3	Access and benefit-sharing	Supporting Our People and Communities Revitalize the Canal System	To ensure NYPA's FERC-licensed hydroelectric facilities provide access and benefit sharing opportunities, the relicensing process includes engagement with numerous external stakeholder groups and opportunities for public comment. NYPA's FERC relicensing settlement agreements include requirements to provide, enhance, and invest in recreation, economic development, and ecotourism opportunities. NYPA's visitor's centers, located at our hydroelectric facilities and energy control center, provide free, educational STEM programming for the public year-round. NYPA's landholdings include public outdoor recreation spaces, including hiking trails, fishing platforms, and boat launches. In 2025, a feasibility assessment was completed to evaluate opportunities to enhance wildlife habitat and public recreation opportunities at our Blenheim-Gilboa Pumped Storage Power Project. NYPA also launched a new habitat enhancement initiative along the Canal trail system which is being accesible by the public.

GRI #	GRI Disclosure	Report Section	Additional Information
101-4	Identification of biodiversity impacts		NYPA's existing hydroelectric generation facilities were constructed between 1950s-1970s. Impacts on biodiversity from the initial construction and ongoing operations are contractually mitigated through extensive habitat improvement projects, land protection agreements, and funding of restoration projects. To identify residual impacts of its operations, NYPA completed a materiality screening with internal subject matter experts to identify the positive and negative nature-related impacts of its operations. NYPA also utilized the ENCORE, a tool for identifying nature-related dependencies and impacts of its operations. To identify potential supply chain impacts on biodiversity, NYPA consulted publicly available reports on high impact commodities relevant to renewable development.
101-5	Locations with biodiversity impacts		NYPA fossil fuel plants (80 acres): NYPA operates several fossil fuel-powered natural gas and oil generating facilities that are located near (<0.5 mi) municipal parks, which are protected from development. Neither the sites nor the adjacent parks are classified by the New York Natural Heritage Program (NYNHP) as having high terrestrial biodiversity, significant ecological communities, or matrix forest blocks. Sites are in areas of high physical water risk on Long Island Sound. STL-FDR Power Project (29,755 acres): This project spans 37 miles and includes a hydroelectric power dam and two upstream control dams. The project includes areas of high terrestrial biodiversity and significant ecological communities, both as classified by NYNHP. NYPA's landholdings at this site include areas managed for biodiversity (Wilson Hill Wildlife Management Area) and recreation (e.g. Robert Moses State Park) and areas of high ecosystem integrity due to the occurrence of large, high quality, contiguous blocks of forest. The area is also located in areas with monarch habitat, as identified through an internal assessment of monarch habitat quality. The area is classified as an Area of Concern by the EPA due to the ecological degradation of shorelines. The site is located along the St. Lawrence River where changing water levels have physical impacts on operational land. This area includes land that is important for the delivery of ecosystem service benefits (flood protection, natural carbon storage, biodiversity, food and materials). Smart Path (STL to Adirondack substation) (5,000 acres): This section of NYPA's Transmission ROW intersects matrix forest blocks whose size and condition allow for the maintenance of ecological processes. This site also intersects state forest land and ecological communities of significant importance. Champlain Canal (4,166 acres): This site, along with the entire canal system, is designated as a National Historic Landmark. It was originally constructed as a transportation channel and is now maintained by the Canals as a navigable waterway. This section of the canal system has recently been identified by the New York State Department of Environmental Conservation (NYSDEC) as a key area to mitigate the spread of aquatic invasive species. The system overall connects many watersheds across the state, which can make it a vector of aquatic invasive species across watersheds. The spread of invasive species across watersheds could impact biodiversity across a spatial extent much greater than the system itself. The NYNHP model of terrestrial biodiversity indicates that high biodiversity areas occur in this site, although the linearity of the site makes accurate classification challenging. Erie Canal (7,814 acres): This site, along with the entire New York State canal system, is designated as a National Historic Landmark. It was originally constructed as a transportation channel and is now maintained by the New York State Canal Corporation as a navigable waterway. It traverses nationally important biodiversity areas including the Montezuma National Wildlife Refuge. The NYNHP model of terrestrial biodiversity indicates that high biodiversity areas and matrix forest blocks occur in this site, although the linearity of the site makes accurate classification challenging. Deferment of embankment maintenance now requires extensive tree removal to return the embankments to safe operationality in this section, impacting the biodiversity of this site.

GRI #	GRI Disclosure	Report Section	Additional Information
101-6	Direct drivers of biodiversity loss		STL-FDR Power Project: Invasive species are common along the roadways at this site. NYPA implements mowing regimes to maintain the visibility and safety of the roadways and to also help manage invasive species, such as wild parsnip. NYPA also implements vehicle washing practices to prevent the spread of invasive species. Smart Path (STL to Adirondack substation): ROW vegetation is managed with IVM practices to ensure the safe and reliable transmission of power while also supporting environmental sustainability goals. To prevent the spread of invasive species, NYPA requires that vehicles and equipment used on the ROW be cleaned to prevent the spread of invasive species. Contractors also receive training when they are working in ecologically sensitive areas to further protect nature. New York State Canal Corporation: The Champlain Canal is monitored by NYSDEC, US Forest and Wildlife Service, United States Geological Survey, the Lake Champlain Basin Program, and Canals for aquatic invasive species, with a focus on round goby. In 2024, round goby eDNA was detected above Lock C2, triggering implementation of the Round Goby Rapid Response Plan to mitigate its spread. Canals is also piloting an eDNA multiplex panel to monitor over 50 high priority aquatic invasive species in the canal system and collaborating with USGS and NYSDEC on the use of an eDNA autosampling robot to collect samples. This monitoring supports rapid containment, eradication, or slowing of new invasions in the canal system and connected watersheds. New York State Canal Corporation: Along the Erie Canal, Canals staff worked with the Buffalo Maritime Center in 2025 to create an educational aquatic invasive species exhibit for the bicentennial voyage of the Erie Canal Boat Seneca Chief, reaching over 30,000 people. As a member of the New York State Invasive Species Council, Canals also helps organize the biennial NY Invasive Species Expo, which offers talks, demonstrations, and workshops to teach resource managers and the public how to prevent and manage invasive species, thereby protecting biodiversity.
101-8	Ecosystem Services		NYPA does not currently have a formal biodiversity policy. Instead, it has made public commitments to support biodiversity and nature in Vision 2030 Renewed, its corporate strategy and the 2021-2025 Sustainability Plan. In its 2021-2025 Sustainability Plan, NYPA committed to supporting biodiversity and natural carbon storage and to protecting riparian ecosystems across its operating system. These commitments apply system-wide and are adopted voluntarily where appropriate. NYPA also has an internal company policy enshrining its use of sustainable vegetation management practices on its Transmission Rights-of-Way. Around NYPA's hydroelectric generation facilities, NYPA implements programs to establish pollinator habitat, increase native tree canopy cover, and improve forest health and resilience. Along Canal's landholdings and trail, NYPA is establishing have pollinator habitat. On its Transmission Rights-of-Way, NYPA manages vegetation using Integrated Vegetation Management which allows the establishment of diverse, stable, low growing plant communities that are compatible with the safe and reliable transmission of power. NYPA has been recognized and accredited as a ROW Steward Utility by the Right of Way Stewardship Council since 2013. With NYPA's customers, NYPA distributes native trees to customers across the state through our long-standing Tree Power program; NYPA has an internal goal to distribute at least 1,000 native trees each year through the program.

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 201: Economic Performance 2016			
201-1	Direct Economic value generated and distributed		Operating revenues: $4.14 billion Operation and maintenance expenses excluding employee wages and benefits: $417 million Employee wages and benefits: $491 million Payments to providers of capital, based on interest on all forms of debt and borrowings: $154 million ($134 million in interest and $20 million in principal repayments) Economic value retained: please refer to financial statements for consolidated net income and EBIDA: $749 million
201-2	Financial implications and other risks and opportunities due to climate change	Drive the Clean Energy Transformation Revitalize the Canal System	
203–1	Infrastructure investments and services supported	Drive the Clean Energy Transformation Lead Transmission Expansion Partners with Our Customers Revitalize the Canal System	NYPA makes significant investments in the development of customer-sited solar and storage, design and installation of electric vehicle charging infrastructure at customer and public locations, implementation of energy efficiency and electrification projects at customer facilities, and administration and offering of economic development programs. These efforts positively impact our stakeholders, community, and climate by reducing energy consumption, greenhouse gas and other air emissions, creating green jobs, and supporting community development through economic growth. As part of our Canal Revitalization efforts, the Canal Corporation is making strategic investments that will deliver lasting benefits for more than 200 canal communities and their local economies. These projects are designed to encourage outdoor recreation and tourism, attracting visitors while enhancing quality of life for residents. By applying asset management best practices and using a programmatic approach to project delivery, the Canal Corporation is preparing to implement a growing capital program that will help ensure canal communities continue to thrive economically for years to come. Community-embedded projects—such as the restoration of Guy Park Manor and the rehabilitation of Madison Dam—demonstrate the significant, positive impact these investments will have across New York State. Together, these efforts strengthen local economies, preserve historic and natural resources, and support vibrant, resilient canal communities.
GRI 204: Procurement Practices 2016			
204–1	Proportion of spending on local suppliers	2025 by the Numbers	Local is defined as New York State. Our significant locations of operation are all within New York State. Proportion of spending on local suppliers as percentage of total procurement budget: 58%

GRI #	GRI Disclosure	Report Section	Additional Information
		GRI 302: Energy 2016	
302–1	Energy consumption within the organization		Fuel consumption from non-renewable sources (fossil fuels, nuclear, etc.): 39,681 MMBTu Fuel consumption from renewable sources: not available Annual electricity utilization for NYPA and Canals facilities (all building stock) excluding self-generated electricity: not available Total energy consumption (including fossil fuel consumption plus electricity utilization, not including self-generated electricity): 423,698 MMBTu For all data, if metered data is not present, an industry-accepted standard, Commercial Building Energy Consumption Survey is used.
302–3	Energy Intensity		Energy intensity ratio measured as total energy consumed MMBTU per total Net MWh generated: 0.017
302–4	Reduction of energy consumption	Drive the Clean Energy Transformation	NYPA tracked reductions in energy consumption achieved through energy efficiency initiatives as part of the BuildSmart 2025 program. Under this program, NYPA had an overall energy savings target of 0.12 Tbtu from a FY14–15 baseline by 2025. Energy reductions were calculated at the project level, typically supported by an American Society of Heating, Refrigerating, and Air-Conditioning Engineers analysis. As of the end of 2025 NYPA had implemented projects (to at least “Substantial Progress” as defined by the BuildSmart 2025 Program Guidelines) to achieve a 0.12 Tbtu reduction towards the overall goal. The Authority’s Clean Energy Master Plan serves as a framework for achieving NYPA’s clean energy goals, identifying and tracking energy conservation measures across NYPA’s and Canals’ building portfolio.

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 303: Water and Effluents 2018			
303–1	Interactions with water as a shared resource	Drive the Clean Energy Transformation	With respect to the hydroelectric generating facilities, each power project utilizes a certain amount of water to generate power for users statewide. Each hydropower project is required to meet state standards, regulated by the NYSDEC, through the issuance of a 401 Water Quality Certificate that verifies compliance with state water quality requirements. At most of our hydropower facilities, water passes through the project via an intake structure, flows through the project and returns to the river once utilized to generate power. Additionally, our fossil fuel plants utilize water for cooling that is returned to the environment through evaporation in cooling towers. These systems also discharge back into the environment by blowdowns which are monitored and regulated by State Pollution Discharge Elimination System Permits (SPDES). In cases where these discharges are to Publicly Owned Treatment Works, those blowdowns are monitored and regulated by New York City Department of Environmental Protection (NYCDEP) commissioners' orders. Water withdrawal and consumption is reported annually in accordance with New York State water withdrawal regulations. Annual reviews are conducted of SPDES permit-required Best Management Plans (BMPs). These BMP Plans must be updated to address any permit exceedances or upsets. Discharge Monitoring Reports are filed monthly for locations with SPDES permits. These reports include pollutant concentrations, mass loading and flows for each regulated outfall as needed and specified. An internal environmental performance report is issued monthly by the Authority's Environment, Health & Safety Department. Goals have been established for environmental incidents for all regions and activities. An environmental performance report is issued monthly. This report includes water-related metrics for water quality as it pertains to permit parameters. The target for each region and activity is reviewed and approved on an annual basis. In 2024, the Authority completed a nature impact assessment to identify the key nature-related priorities impacting its operations. Flood protection and water quality was identified as a key nature-related priority due to the reliance of hydroelectricity generation on predictable supplies of clean water for generation and cooling, the location of some operating regions in areas of steep terrain with erosion risk and the reliance of clean water for canals operations. This topic is being incorporated into objectives for key projects and in work prioritization. In 2025, we completed forest management plan for the land surrounding Blenheim-Gilboa Pumped Storage Power Project to identify sustainable management opportunities that support long-term forest health and resilience. NYPA funds research through its participation in Electric Power Research Institute (EPRI) programs. The review of the participation in programs and approval of supplemental studies is conducted by the NYPA EPRI steering committee, composed of senior leadership which includes the head of research and development. Members of NYPA staff advise EPRI on water-related topics of concern for further research. NYPA recently approved an EPRI supplemental project on an emerging water contaminate perfluorooctane sulfonate. This study will evaluate environmental persistence and transport, sampling and monitoring methods. NYPA also acknowledges that water poses a risk to our operations, especially in the context of climate change. Our power generation is reliant on the flow of water. Although river flows in our watershed are generally expected to increase over time, we are undertaking adaptation studies and planning for various scenarios in addition to our modernization and standard schedules. For example, in 2025 we undertook a pilot study at our Jarvis facility to better understand how multi-objective operations (e.g., maintaining upstream and downstream water levels, and hydrogeneration) may be impacted by climate change. In 2025, we also completed modeling work on a Great Lakes long-term scenario analysis project, which improves our understanding of how climate change will impact our ability to generate electricity at our Niagara and St. Lawrence facilities.
303–3	Water withdrawal	Performance Data	
303–5	Water consumption	Performance Data	

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 305: Emissions 2016			
305–1	Direct (Scope 1) GHG emissions	Drive the Clean Energy Transformation Performance Data	The Authority's base year for Scope 1 GHG emissions is 2023. 2023 Scope 1 emissions were 1,795,235 MT CO2e, 20-year GWP and 1,797,507 MT CO2e, 100-year GWP.
305–2	Energy indirect (Scope 2) GHG emissions	Drive the Clean Energy Transformation Performance Data	The Authority's base year for Scope 2 GHG emissions is 2023. 2023 Scope 2 (market-based) emissions were 39,063 MT CO2e, 20-year GWP and 38,974 MT CO2e, 100-year GWP.
305–3	Other indirect (Scope 3) GHG emissions	Drive the Clean Energy Transformation Performance Data	The Authority's base year for Scope 3, categories 3 (upstream fuel- and energy-related activities), 6 (business travel) and 7 (employee commuting) GHG emissions is 2023 and for Scope 3 categories 1 (purchased goods and services) and 2 (capital goods) is 2024. 2023 Base Year Category / 20-year GWP / 100-year GWP Scope 3 category 3 (upstream fuel- and energy-related activities) / 6,839,130 MT CO2e / 5,428,374 MT CO2e Scope 3 category 6 (business travel) / 782 MT CO2e / 805 MT CO2e Scope 3 category 7 (employee commuting) / 5,555 MT CO2e / 5,545 MT CO2e 2024 Base Year Category / 20-year GWP / 100-year GWP Scope 3 category 1 (purchased goods and services) / 35,426 MT CO2e / 28,564 MT CO2e Scope 3 category 2 (capital goods) / 132,199 MT CO2e / 105,274 MT CO2e
305–4	GHG emissions intensity	Performance Data	
305–7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Performance Data	
GRI 306: Waste 2020			
306-3	Waste generated	Performance Data	
306-4	Waste diverted from disposal	Performance Data	
306-5	Waste directed to disposal	Performance Data	

GRI #	GRI Disclosure	Report Section	Additional Information
		GRI 308: Supplier Environmental Assessment 2016	
308–1	New suppliers that were screened using environmental criteria	Supporting Our People and Communities	
		GRI 403: Occupational Health & Safety 2018	
403–6	Promotion of Worker Health	Supporting Our People and Communities	
403–9	Work-related injuries	Performance Data	
		GRI 404: Training and Education 2016	
404–1	Average hours of training per year per employee	Performance Data	
404–3	Percentage of employees receiving regular performance and career development reviews	Performance Data	
		GRI 405: Diversity and Equal Opportunity 2016	
405-1	Diversity of governance bodies and employees	Governance Performance Data	
		GRI 408: Customer Privacy 2016	
418–1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		NYPA has had no material cyber security incidents observed. NYPA continuously monitors the maturity and performance of the cyber security program with a range of assessments and metrics including an annual, external penetration test, an independent assessment against the NIST Cyber Security Framework (CSF) 2.0, and the BitSight Cybersecurity rating. In the most recent BitSight assessment over the past year, NYPA and Canals averaged 752 out of 900, which is an advanced security rating indicating a strong security performance and lower security risk.

SASB content Index

Electric Utilities & Power Generators

Table 1. Disclosures and Accounting Metrics

Topic	Metric	Category	Response	Code
Greenhouse Gas Emissions & Energy Resource Planning	1. Gross global Scope 1 emissions, percentage covered under 2. emissions-limiting regulations and 3. emissions-reporting regulations	Quantitative	1. Performance Data 2. GWP-20: 99.0%; GWP-100: 98.8% 3. GWP-20: 99.6%; GWP-100: 99.6% % as per the Greenhouse gas Protocol New York participates in the Regional Greenhouse Gas Initiative (RGGI), the first mandatory market-based program in the United States to reduce greenhouse gas emissions. All of NYPA's Southeast New York generating facilities are subject to RGGI.	IF-EU-110a.1
	Greenhouse gas emissions associated with power deliveries	Quantitative	GWP-20: 5,415,974 MT CO2e GWP-100: 5,405,777 MT CO2e This is the sum of emissions directly associated with NYPA-owned power generation, power contractually purchased from Astoria Energy II for customers, wholesale market purchases, transmission line losses and upstream emissions from fossil fuel. NYPA does not deliver this power to retail customers.	IF-EU-110a.2
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	Discussion and Analysis	Drive the Clean Energy Transformation	IF-EU-110a.3
	1. Number of customers served in markets subject to renewable portfolio standards (RPS) and 2. Percentage fulfilment of RPS target by market	Quantitative	Not applicable. New York State does not have a Renewable Portfolio Standard. It does have a Clean Energy Standard issued by the Public Service Commission, but NYPA is not subject to the jurisdiction of the commission.	IF-EU-110a.4
Air Quality	1. Air emissions of the following pollutants: a. NOx (excluding N2O), b. SOx, c. particulate matter (PM10), d. lead (Pb), and e. mercury (Hg); 2. Percentage of each in or near areas of dense population	Quantitative	1. Performance Data a. Performance Data b. Performance Data c. Not applicable d. Not applicable e. Not applicable 2. 100%	IF-EU-120a.1

Topic	Metric	Category	Response	Code
Water Management	1. Total water withdrawn, 2. total water consumed, percentage of each in regions with high or extremely high baseline water stress	Quantitative	Performance Data	IF-EU-140a.1
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards and regulations	Quantitative	In 2025, NYPA had zero incident of non-compliance that resulted in a formal enforcement action involving electronic reporting of Discharge Monitoring Reports which was administratively resolved. Two separate incidents of non-compliance for parameters monitored under facility State Pollutant Discharge Elimination System permits did not result in formal enforcement action. Canals had one incident of permit non-compliance related to dredging in 2025. One incident was an upland disposal site (UDS) outfall discharge monitoring exceedance and one incident was a UDS embankment failure that resulted in sediment discharge to a regulated waterway.	IF-EU-140a.2
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	See indicator GRI 303-1, and Drive the Clean Energy Transformation.	IF-EU-140a.3
Coal Ash Management	Amount of coal combustion residuals (CCR) generated; percentage recycled	Quantitative	Not applicable, NYPA does not own or have specified coal generation contracts.	IF-EU-150a.1
	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Quantitative	Not applicable, NYPA does not own or have specified coal generation contracts.	IF-EU-150a.2

Topic	Metric	Category	Response	Code
Energy Affordability	Average retail electric rate for 1. residential, 2. commercial and 3. industrial customers	Quantitative	Performance Data	IF-EU-240a.1
	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	Quantitative	Not applicable, NYPA does not directly serve residential customers.	IF-EU-240a.2
	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Quantitative	Not applicable, NYPA does not directly serve residential customers.	IF-EU-240a.3
	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Discussion and Analysis	Performance Data	IF-EU-240a.4
Workforce Health & Safety	1. Total recordable incident rate (TRIR) 2. Fatality rate 3. Near miss frequency rate (NMFR)	Quantitative	Performance Data	IF-EU-320a.1
	Percentage of electric utility revenues from rate structures that 1. are decoupled and 2. contain a lost revenue adjustment mechanism (LRAM)	Quantitative	Not applicable, NYPA does not have a decoupled rate structure.	IF-EU-420a.1
End-Use Efficiency & Demand	Percentage of electric load served by smart grid technology	Quantitative	As a generation and transmission entity, NYPA installs smart grid technology to support integration of distributed generation resources and increase generation and transmission efficiency across the transmission system. NYPA's smart grid technology is not tied to specific loads.	IF-EU-420a.2
	Customer electricity savings from efficiency measures, by market	Quantitative	2023: 40,360 MWh 2024: 42,906 MWh 2025: 40,958 MWh Represents projects managed by NYPA on behalf of customers. The values represent projected electricity savings based upon industry standards for measures implemented	IF-EU-420a.3

Topic	Metric	Category	Response	Code
Nuclear Safety & Emergency Management	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Quantitative	Not applicable. NYPA does not own or operate nuclear power generation.	IF-EU-540a.1
	Description of efforts to manage nuclear safety and emergency preparedness	Discussion and Analysis	Not applicable. NYPA does not own or operate nuclear power generation. NYPA does have an Emergency Management program for NYPA assets such as our hydroelectric facilities and dams.	IF-EU-540a.2
Grid Resiliency	Number of incidents of non-compliance with physical and/or cyber security standards or regulations	Quantitative	Due to FERC restrictions, this information cannot be released.	IF-EU-550a.1
	1. System Average Interruption Duration Index (SAIDI), 2. System Average Interruption Frequency Index (SAIFI), and 3. Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Quantitative	Not applicable; NYPA does not provide distribution services.	IF-EU-550a.2
	Number of: 1. residential, 2. commercial and industrial customers served	Quantitative	1. NYPA does not directly serve residential customers. 2. NYPA has 1,170 customers, including governmental agencies, municipal/rural electric cooperatives, businesses, neighboring states and investor-owned utilities.	IF-EU-000.A

Topic	Metric	Category	Response	Code
Grid Resiliency	Total electricity delivered to: 1. residential customers 2. commercial and industrial customers 3. all other retail customers 4. wholesale customers	Quantitative	1. Not applicable. NYPA does not directly serve residential customers. 2. Direct Sales to Commercial and Industrial Customers: 7,973,000 MWh 3. Sales to Municipal Electric Systems, Rural Electric Cooperatives, and Other Public Customers: 16,192,000 MWh 4. Sales to Utilities and the New York Independent System Operator (NYISO) for Resale: 12,628,000 MWh Total electricity sold across above categories: 36,793,000 MWh	IF-EU-000.B
	Length of transmission and distribution lines	Quantitative	Transmission lines: 11,565.1 circuit-miles Distribution lines: Not applicable. NYPA is a generation and transmission owner only.	IF-EU-000.C
	Total electricity generated, percentage by major energy source, percentage in regulated markets	Quantitative	Net Generation: 24,685,762.60 MWh Hydropower: 84% Fossil: 16% Includes Blenheim-Gilboa Pumped Storage Power Project in net generation, for which gross generation was 550,291 MWh.	IF-EU-000.D
	Total wholesale electricity purchased	Quantitative	Total purchases, excluding electricity consumed at generating facilities: 9,428,000 MWh	IF-EU-000.E

06 GLOSSARY

Glossary

Acronym	Definition	Acronym	Definition	Acronym	Definition
AGILe	Advanced Grid Innovation Laboratory for Energy	**ERP**	Enterprise Resource Planning	**NYNHP**	New York Natural Heritage Program
APWA	American Public Works Association	**ESG**	Environmental, Social and Governance	**NYPA**	New York Power Authority
AR5	IPCC Fifth Assessment Report	**FERC**	Federal Energy Regulatory Commission	**NYRED**	New York Renewable Energy Development Holdings Corporation
BG	Blenheim-Gilboa	**GHG**	Greenhouse gas	**NYSDEC**	New York State Department of Environmental Conservation
BMPs	Best Management Plans	**GHGP**	Greenhouse Gas Protocol	**NYSERDA**	New York State Energy Research and Development Authority
CAIDI	Customer Average Interruption Duration Index	**GRI**	Global Reporting Initiative	**OEC**	Office of Ethics and Compliance
Canals	New York State Canal Corporation	**GW**	Gigawatt	**P3M**	Portfolio, program and project management
Captive	NYPA Captive Insurance Company	**GWP**	Global Warming Potential	**PFAS**	Per- and polyfluoroalkyl substances
CCDC	Cyber Collective Defense Consortium	**HCFCs**	Hydrochlorofluorocarbon	**PFCs**	Perfluorocarbons
CCR	Coal combustion residuals	**HCP**	Habitat Conservation Plan	**POC**	People of color
CH4	Methane	**HFCs**	Hydrofluorocarbons	**RAMP**	Regional asset management plan
CHPE	Champlain-Hudson Power Express	**HVCC**	Hudson Valley Community College	**REACH**	Renewable Energy Access and Community Help
CLA	McKinsey Connected Leaders Academy	**IBEW**	International Brotherhood of Electrical Workers	**RGGI**	Regional Greenhouse Gas Initiative
CLCPA	Climate Leadership and Community Protection Act	**<IR>**	International Integrated Reporting Framework	**RP3**	Reliable Public Power Provider
CO2e	Carbon dioxide equivalent	**ISO**	International Organization for Standardization	**SAIDI**	System Average Interruption Duration Index
CoE	Center of Excellence	**IVM**	Integrated Vegetation Management	**SAIFI**	System Average Interruption Frequency Index
Con Edison	Consolidated Edison	**JFK**	John F. Kennedy International Airport	**SASB**	Sustainability Accounting Standards Board
COSO	Committee of Sponsoring Organizations	**kV**	Kilovolt	**SDVOB**	Service-Disabled Veteran Owned Business
CRC	New York State Canal Recreationway Commission	**LRAM**	Lost revenue adjustment mechanism	**SF6**	Sulfur hexafluoride
CSF	Cyber Security Framework	**LSD**	Long Sault Dam	**SIF**	Serious injury or fatality
DCAS	Department of Citywide Administrative Services	**MTA**	Metropolitan Transportation Authority	**SNGPP**	Small natural gas power plant(s)
DEIA	Diversity, equity, inclusion and accessibility	**MWBE**	Minority and Women's Business Enterprise	**SPDES**	State Pollution Discharge Elimination System
DEM	Division of Energy Management	**MWh**	Megawatt hours	**STAR**	NYISO Short-Term Assessment of Reliability
DOL	NY Department of Labor	**N2O**	Nitrous oxide	**T&D**	Transmission and distribution
EAP	Employee Assistance Program	**NERC**	North American Electric Reliability Corporation	**TOP**	Transmission Operator
ECC	Energy Control Center	**NF3**	Nitrogen trifluoride	**Total-R**	Total Remuneration
EEO	Equal Employment Opportunity	**NIST**	National Institute of Standards and Technology	**TWh**	Terawatt-hours
EMC	Executive Management Committee	**NMFR**	Near miss frequency rate	**UDS**	Upland Disposal Site
EMS	Energy Management System	**NRC**	U.S. Nuclear Regulatory Commission	**UHS**	Uniondale Hub Substation
EO22	Executive Order 22	**NYCDEP**	New York City Department of Environmental Protection		
EPRI	Electric Power Research Institute	**NYCHA**	New York City Housing Authority		
ERG	Employee Resource Group	**NYISO**	New York Independent System Operator		

07 FINANCIAL STATEMENTS

NY Power Authority | Canal Corporation

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Financial Report

December 31, 2025 and 2024

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Independent Auditors' Report

Board of Trustees
Power Authority of the State of New York:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities and the fiduciary activities of the Power Authority of the State of New York (the Authority), a component unit of the State of New York, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements for the years then ended as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the fiduciary activities of the Authority, as of December 31, 2025 and 2024, and the changes in financial position and, where applicable, cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a

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substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Supplementary Information: Detailed Financials are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2026 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

KPMG LLP

Philadelphia, Pennsylvania
March 27, 2026

March 27, 2026

Management Report (Unaudited)

Management is responsible for the preparation, integrity, and objectivity of the consolidated financial statements of the Authority, as well as all other information contained in the Annual Report. The consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") and, in some cases, reflect amounts based on the best estimates and judgments of management, giving due consideration to materiality. Financial information contained in the Annual Report is consistent with the financial statements.

The Authority maintains a system of internal controls to provide reasonable assurance that transactions are executed in accordance with management's authorization, that financial statements are prepared in accordance with U.S. generally accepted accounting principles, and that the assets of the Authority are properly safeguarded. The system of internal controls is documented, evaluated, and tested on a continuing basis. No internal control system can provide absolute assurance that errors and irregularities will not occur due to the inherent limitations of the effectiveness of internal controls; however, management strives to maintain a balance, recognizing that the cost of such a system should not exceed the benefits derived.

The Authority maintains an internal auditing program to independently assess the effectiveness of internal controls and to report findings and recommend possible improvements to management. This program includes a comprehensive assessment of internal controls to ensure that the system is functioning as intended. Additionally, as part of its audit of the Authority's consolidated financial statements, KPMG LLP, the Authority's independent auditors, considers internal controls over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal controls over financial reporting. Management has considered the recommendations of its internal auditors, the Office of the State Comptroller ("OSC"), and the independent auditors concerning the system of internal controls and has taken actions that it believed to be cost-effective in the circumstances to respond appropriately to these recommendations. Based on its structure and related processes, management believes that, as of December 31, 2025, and 2024, the Authority's system of internal controls provides reasonable assurance related to material items, as to the integrity and reliability of the financial statements, the protection of assets from unauthorized use or disposition and the prevention and detection of fraudulent financial reporting.

The members of the Authority's Board of Trustees (the "Authority's Trustees") are appointed by the governor, by and with the advice and consent of the State Senate. The Authority's Trustees' Audit Committee meets with the Authority's management, its senior vice president of Internal Audit and its independent auditors periodically throughout the year to discuss internal controls and accounting matters, the Authority's financial statements, the scope and results of the audit by the independent auditors and the periodic audits by the OSC, and the audit programs of the Authority's internal auditing department. The independent auditors and the senior vice president of Internal Audit have direct access to the Audit Committee.



Executive Vice President and Chief Financial Officer

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

December 31, 2025 and 2024

(Unaudited)

Management's Discussion and Analysis (Unaudited)

Overview of the Consolidated Financial Statements

The Power Authority of the State of New York ("NYPA") is considered a special-purpose government entity engaged in business-type activities. Effective January 1, 2017, the New York State Canal Corporation ("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.

In May 2023, NYPA Captive Insurance Company ("Captive") was established as a wholly owned subsidiary of NYPA. It is anticipated that the existence of this captive insurance company will result in cost savings to NYPA and its subsidiaries by reducing the need for commercial insurance and creating an efficient and effective claims handling process which will further enable NYPA and its subsidiaries to manage its overall risk more effectively and economically. In November 2024, New York Renewable Energy Development Holdings Corporation ("NYREDHC") was established as a wholly owned subsidiary of NYPA to pursue projects under the renewable development authority (defined in "Legislation Expanding NYPA's Development Authority" section in Management's Discussion and Analysis "MD&A"). NYPA expects 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, unless such obligations are covered in the shared services agreement between NYPA and NYREDHC. Refer to Note 18 of the notes to the consolidated financial statements for more information on NYREDHC. In 2025, NYREDHC acquired full ownership of Somers Solar, LLC ("Somers Solar"), a Delaware limited liability company.

NYPA and its subsidiaries, the Canal Corporation, the Captive and NYREDHC are referred to collectively as the "Authority" in the consolidated financial statements, except where otherwise noted. NYPA and its subsidiaries follow financial reporting for enterprise funds. The consolidated financial statements of the Authority are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). Under the criteria outlined in GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units,* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus--an amendment of GASB Statements No. 14 and No. 34*, the Authority considers its relationship to New York State (the "State") to be that of a related component unit.

This consolidated report consists of: MD&A, the consolidated financial statements, and the notes to the Consolidated Financial Statements, following the consolidated report is the Authority's Required Supplementary Information.

MD&A provides an overview of the Authority's financial information for the year ended December 31, 2025, with comparative information as of and for the year ended December 31, 2024, and 2023. GASB Statement No. 102 was evaluated in 2025 and GASB Statements No. 99, 100, and 101 were evaluated and adopted in 2024. These have been incorporated into the financial statements as applicable.

The consolidated financial statements provide summary information about the Authority's overall financial condition. The notes provide an explanation and more details about the contents of the consolidated financial statements. The required supplementary information includes unaudited information required by GASB related to the Authority's other post-employment benefits other than

pension ("OPEB") and pension plans and standalone financial disclosures for NYPA, including the Canal Corporation, Separately Financed Projects ("SFP"), Captive and NYREDHC.

Governance

The governing board of NYPA consists of seven Trustees (the "Board of Trustees") appointed by the governor of the state (the "Governor"), with the advice and consent of the State Senate. A Trustee whose term has expired continues to serve on a holdover basis until confirmed for an additional term or a new Trustee is appointed and confirmed. As stated in Section 2824 under Title 2 of Article 9 of the Public Authorities Law, Trustees shall perform their fiduciary duties, including but not limited to those imposed by such section, in good faith and with that degree of diligence, care and skill which an ordinarily prudent person in like position would use under similar circumstances, and may take into consideration the views and policies of any elected official or body, or other person and ultimately apply independent judgment in the best interest of the Authority, its mission and the public.

The members of NYPA Board of Trustees also serve as board members of the Canal Corporation, Captive and NYREDHC with the addition of NYPA's CEO and CFO serving ex-officio on the NYREDHC Board. Trustee members cannot be removed except for cause, and their terms are as follows:

Trustee Member	**Term Expiration**
Chair, John Koelmel	5/6/21
Trustee, Michael J. Cusick	5/6/25
Trustee, Bethaida González	5/6/24
Trustee, Cecily L. Morris	6/22/27
Trustee, Dennis G. Trainor	5/6/22
Trustee, Lewis M. Warren, Jr.	5/6/28
Trustee, Laurie Wheelock	6/22/28

Forward-Looking Statements

The statements in MD&A, that are not historical facts, are forward-looking based on current expectations of future events. Forward-looking statements are based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, possible invalidity of the underlying assumptions and estimates and possible changes to or development in various important factors. Accordingly, actual results may vary from those we presently expect, and such variations may be material. We therefore caution against placing undue reliance on the forward-looking statements contained in the MD&A. All forward-looking statements included in MD&A are made only as of the date of the MD&A and we assume no obligation to update any such forward-looking statements as a result of new information, future events, or other factors.

Summary of Consolidated Revenues, Expenses and Changes in Net Position

The following is a summary of the Authority's consolidated financial information for 2025, 2024 and 2023:

	2025	2024	2023	2025 vs. 2024 increase (decrease)	2024 vs. 2023 increase (decrease)
		($ In millions)		($ in millions)	
Operating revenues	$4,138	$3,436	$3,034	$702	$402
Operating expenses:					
Purchased power	962	678	605	284	73
Fuel oil and gas	277	214	176	63	38
Transportation and delivery	1,288	1,174	1,107	114	67
Total Gross Margin	1,611	1,370	1,146	241	224
Operations and maintenance	908	771	723	137	48
Depreciation and amortization	368	353	307	15	46
Total operating expenses	3,803	3,190	2,918	613	272
Operating income	335	246	116	89	130
Nonoperating revenues and gains	104	85	94	19	(9)
Nonoperating expenses	157	172	80	(15)	92
Total nonoperating income (expense)	(53)	(87)	14	34	(101)
Net income and change in net position	282	159	130	123	29
Net position - beginning	5,234	5,075	4,945		
Net position - ending	$5,516	$5,234	$5,075		

Consolidated Financial Statements, as presented above, represent the Authority's consolidated results. Financial information relating to the SFP, Captive and NYREDHC has been disclosed separately in relevant notes to the Consolidated Financial Statements, and such notes should be read together with other financial information disclosed in the notes. Refer to section SFP in MD&A and Notes 2, 3, 17 and 18 in Notes to the Consolidated Financial Statements and Required Supplementary Information for detailed disclosures on SFP, Captive and NYREDHC.

The Authority had a net income and change in net position of $282 million for the year ended December 31, 2025, compared to $159 million net income in 2024, resulting in a $123 million increase year over year. Operating income increased by $89 million due to higher prices on market-based sales of energy and capacity along with an increase in transmission revenue. Operating expenses were $613 million higher, primarily due to the $347 million increase in purchased power and fuel and oil and gas costs related to higher prices. The transportation and delivery expenses were $114 million higher primarily due to higher prices. Depreciation and amortization expenses were $15 million higher due to an increase in assets placed into service during the year.

The Authority had a net income and change in net position of $159 million for the year ended December 31, 2024, compared to $130 million net income in 2023, resulting in a $29 million increase year over year. Operating income increased by $130 million due to higher prices on market-based sales of energy and capacity. Operating expenses were $272 million higher, primarily due to the $111 million increase in purchased power and fuel and oil and gas costs related to higher prices. The transportation and

delivery expenses were $67 million higher primarily due to higher prices. Depreciation and amortization expenses were $46 million higher due to an increase in assets placed into service during the year.

Operating Revenues

Operating revenues were $702 million higher in 2025 vs 2024, due to higher market energy prices, and capacity prices due to increased demand throughout the State, along with an increase in transmission revenues due to increases in transmission lines placed in service by the Authority and an increase to the Authority's Annual Transmission Revenue Requirement ("ATRR").

Operating revenues were $402 million higher in 2024 vs 2023, primarily due to higher market energy prices, and higher capacity prices.

Purchased Power and Fuel and Oil and Gas

Purchased power and fuel/oil/gas costs increased by $284 million and $63 million, respectively in 2025 vs 2024. The increase was primarily due to higher pricing and volumes throughout the year. Power purchased in the open market is a function of customer demand and, as such, varies month to month. In the event of failure to receive payment for any monthly purchase the Authority will not make any further purchases.

Purchased power and fuel/oil/gas costs increased by $73 million and $38 million, respectively in 2024 vs 2023. The increase was primarily due to higher pricing throughout the year.

Operations and Maintenance

Operations and Maintenance ("O&M") expenses increased by $137 million in 2025 compared to 2024, primarily due to a $35 million increase in Western New York Economic Development Fund due to higher market prices (refer to Note 19(a) of the notes to the consolidated financial statements for more information on Power Programs), $32 million increase in Transmission repairs and the balance attributable to higher repairs and maintenance in the normal course of the business.

O&M expenses increased by $48 million in 2024 compared to 2023, primarily driven by higher Compensated Absences due to the adoption of a new accounting standard (GASB Statement No. 101) $24 million and the balance due to increase in repairs and maintenance.

Gross Margin Analysis

Gross Margin increased to $1.6 billion in 2025, up from $1.4 billion in 2024. This increase was primarily due to higher transmission margins from an increased ATRR and greater generation revenue from higher prices, partially offset by increased purchase power and fuel costs.

Gross margin increased to $1.4 billion in 2024 from $1.1 billion in 2023. This growth was primarily driven by an increase in transmission margins due to the Authority's ATRR and higher generation revenue resulting from elevated prices, partially offset by higher purchase power and fuel costs, which also rose due to increased prices.

Nonoperating Revenues, Gains and (Losses)

Nonoperating revenues increased by $19 million in 2025 vs 2024 primarily due to an increase in the market value of the investment portfolio resulting in unrealized mark to market gains.

Nonoperating revenues decreased by $9 million in 2024 vs 2023 primarily due to a decrease in the market value of the investment portfolio resulting in unrealized mark to market losses.

Nonoperating Expenses

Nonoperating expenses decreased by $15 million in 2025 versus 2024, primarily due to a $14 million increase in Allowance for Funds Used During Construction ("AFUDC") credit due to increase in CWIP assets, $8 million Federal Emergency Management Agency ("FEMA") grant received, one time accrual in prior year of $26 million for St. Regis, see note below, while other non-operating expense declined, offset by the obsolescence of certain general assets.

Nonoperating expenses increased by $92 million, 2024 vs 2023, primarily due to the expense related to the settlement of the St. Regis Litigation of $26 million (Refer to Note 19(b) of notes), full year impact of interest expense of $32 million on 2023A Bonds and $21 million related to workforce training initiatives pursuant to NYPA's renewable development authority, as per Memorandum of Understanding between NYPA and the Department of New York State Labor.

EBIDA

Reconciliation of Net Income to EBIDA

	2025	2024	2023
		($ In millions)	
Net Income	$ 282	$ 159	$ 130
Add:			
Interest	99	111	80
Depreciation & amortization	368	353	307
EBIDA	$ 749	$ 623	$ 517

EBIDA represents net income before interest expense, depreciation, and amortization and is a non-U.S. GAAP financial measure. EBIDA does not represent net income, as that term is defined under U.S. GAAP and should not be considered as an alternative to net income as an indicator of the Authority's operating performance or any other measure of performance derived in accordance with U.S. GAAP. EBIDA is not intended to be a measure of cash flows, as depicted on the statement of cash flows, available for management or discretionary use as such measures do not consider certain cash requirements such as capital expenditures and debt service requirements.

Net Generation

The Authority's generation and power purchases for 2025 was 37.2 million megawatt-hours ("MWhs") with corresponding revenues from power and energy sales of $4.1 billion (this includes power sales, transmission, transportation & delivery charges, excludes non-utility revenue of $83 million). For 2024, on a comparative basis, it was 40.6 million MWhs with revenue of $3.4 billion (this includes power sales, transmission, transportation & delivery charges, excludes non-utility revenue of $57 million).

The Authority's own generation was 24.7 million MWhs in 2025 and 27.4 million MWhs in 2024. Net generation from the Niagara and St. Lawrence-Franklin D. Roosevelt ("St. Lawrence-FDR") hydropower plants in 2025 (20.8 million MWhs) was 8.4% lower than in 2024 (22.7 million MWhs) due to the

marginally decreased hydro flows to the Niagara and St. Lawrence hydropower plants. Net hydro generation for 2025 and 2024 were both approximately 97% of the 30-year average of 21.4 million MWhs. The combined net generation of fossil fuel plants for 2025 was 4.0 million MWhs, or 15.5% lower than in 2024 (4.8 million MWhs). Blenheim-Gilboa pumped storage power project (Blenheim-Gilboa) had a net generation increase of 43% when compared to 2024.

Summary of Consolidated Statements of Net Position

The following is a summary of the Authority's consolidated statements of net position for 2025, 2024 and 2023:

	2025	2024	2023	2025 vs. 2024 increase (decrease)	2024 vs. 2023 increase (decrease)
		($ In millions)		($ In millions)	
Current assets	$2,461	$2,703	$2,549	($242)	$154
Capital assets	7,925	7,298	6,908	627	390
Other noncurrent assets	1,048	1,099	896	(51)	203
Deferred outflows of resources	283	247	327	36	(80)
Total assets and deferred outflows	11,717	11,347	10,680	370	667
Current liabilities	1,385	1,315	1,105	70	210
Noncurrent liabilities	4,037	4,010	3,770	27	240
Total liabilities	5,422	5,325	4,875	97	450
Deferred inflows of resources	779	788	730	(9)	58
Net investment in capital assets	3,957	3,463	3,361	494	102
Restricted	550	453	321	97	132
Unrestricted	1,009	1,318	1,393	(309)	(75)
Net position	5,516	5,234	5,075		
Total liabilities, deferred inflows and net position	$11,717	$11,347	$10,680	$370	$667

Net Position

Net Position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources and is classified into three components:

A. Net investment in capital assets of $4 billion consists of capital assets (including right to use lease assets and right to use subscription assets), net of depreciation reduced by related outstanding debt and accounts. This indicates that these assets are not accessible for other purposes.
B. Restricted net position of $550 million consists of restricted assets reduced by related liabilities and deferred inflows of resources that are not accessible for general use because their use is subject to restrictions enforceable by third parties.
C. Unrestricted net position of $1 billion consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the components

noted above and that are available for general use. However, there may be amounts within unrestricted that are committed for capital projects and or board approved reserves. The unrestricted net position includes $987 million of reserves and committed funds ($175 million operating reserve, $126 million debt service reserve, $90 million energy hedging reserve, $269 million spent fuel reserve, $216 million capital project reserve and $111 million of committed funds for capital, economic development and relicensing programs). These reserves and committed funds are described in further detail below.

General Resolution and other budget matters

The Operating Fund, included within the Cash and Cash Equivalents and Investments on the Authority's Statement of Net Position, was created by the General Bond Resolution. Number of internal reserves has been established within the Operating Fund, as follows:

The Operating Reserve, established at $175 million by the Authority's Trustees, includes a reserve for working capital and emergency repairs to the Authority's projects, and the Authority maintains at least the established amount or higher as necessary.

The Debt Service Reserve is funded at maximum annual debt service (principal and interest payments) to ensure that sufficient amounts are available to pay debt service obligations when due. On December 31, 2025, the Debt Service Reserve balance was $126 million.

The Energy Hedging Reserve was established at $90 million to have funds available for use as collateral that may be required to support the Authority's authorized fuel and energy hedging transactions.

The Spent Fuel Reserve was created to maintain funds to match the Department of Energy's obligation to pay for the processing and final disposition of spent nuclear fuel burned by the Authority when it owned the Indian Point #3 and James A. FitzPatrick nuclear plants. On December 31, 2025, the Spent Fuel Reserve balance was $269 million.

The Capital Project Reserve is utilized to partially fund major new investments by the Authority in its energy infrastructure. The Authority funds major investments with debt and equity. This reserve has been established to provide the equity portion. On December 31, 2025, the Capital Project Reserve balance was $216 million.

In addition, the Authority holds committed funds in separate portfolios that have been earmarked for economic development and relicensing programs ("Committed Funds", see Note 19). On December 31, 2025, the Authority held $111 million in Committed Funds in the Operating Fund.

Section 1011 of the Power Authority Act (Act) constitutes a pledge of the State to holders 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 holders thereof. Bills are periodically introduced into the State Legislature, which propose to limit or restrict the powers, rights, and exemption from regulation that the Authority currently 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 by the Authority. It is not possible to predict whether any such bills or other bills of a similar type which may be introduced in the future will be enacted.

In addition, from time to time, legislation is enacted into New York 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 nature of the obligations imposed and the applicability of the pledge of the State set forth in Section 1011 of the Act to such provisions. There can be no assurance that in the case of each such provision, the Authority will be immune from the financial obligations imposed by such provision. Examples of such legislation affecting only the Authority include legislation, discussed below and elsewhere herein, relating to the Authority's voluntary contributions to the State, the Authority's temporary transfer of funds to the State, and contributions and transfers to fund temporary and permanent programs administered by the Authority and other State entities.

The Authority is requested, from time to time, to make financial contributions or transfers of funds to the State. Any such contribution or transfer of funds must (i) be authorized by law (typically, legislation enacted in connection with the State budget), and (ii) satisfy the requirements of the General Bond Resolution. The General Bond Resolution requirements to withdraw moneys "free and clear of the lien and pledge created by the (Bond) Resolution" are as follows: (1) such withdrawal must be for a "lawful corporate purpose as determined by the Authority," and (2) the Authority must determine "taking into account, among other considerations, anticipated future receipt of Revenues or other moneys constituting part of the Trust Estate, that the funds to be so withdrawn are not needed" for (a) payment of reasonable and necessary operating expenses, (b) an Operating Fund reserve for working capital, emergency repairs or replacements, major renewals, or for retirement from service, decommissioning or disposal of facilities, (c) payment of, or accumulation of a reserve for payment of, interest and principal on senior debt, or (d) payment of interest and principal on subordinate debt.

In 2011, the Authority's Trustees adopted a policy statement ("Policy Statement") which relates to, among other things, voluntary contributions, transfers, or other payments to the State by the Authority after that date. The Policy Statement provides, among other things, that in deciding whether to make such contributions, transfers, or payments, the Authority shall use as a reference point the maintenance of a debt service coverage ratio of at least 2.0x (this reference point should not be interpreted as a covenant to maintain any particular coverage ratio), in addition to making the other determinations required by the Bond Resolution. The Policy Statement may at any time be modified or eliminated at the discretion of the Authority's Trustees.

Variance analysis of Consolidated Statements of Net Position

The following summarizes the Authority's consolidated statements of net position variances for the year 2025 and 2024:

In 2025, current assets decreased by $242 million to $2,461 million due to a decrease of $398 million in investments in securities offset by an increase of $101 million in customers receivables due to increase in revenue. Capital assets increased by $627 million to $7,925 million, compared to last year, due to spending on transmission and general capital projects. Other noncurrent assets decreased by $51 million, primarily due to a decrease in Energy Services loans receivable and a decrease in the other post-employment benefits other than pension ("OPEB") assets. Deferred outflows increased by $36 million primarily due to changes in the deferral of OPEB, as well as the increase in the outflow of accumulated hedging derivatives. Current liabilities increased by $70 million primarily due to an increase in accruals for capital projects, and increases to the economic development funds programs offset by the paydown of commercial paper. Other noncurrent liabilities increased by $27 million primarily due to the increase in Pension liability, and GASB 96 lease liabilities offset by principal payments on debt of $20 million. Deferred inflows of resources decreased by $9 million primarily due to a decrease in pension valuation and OPEB while being offset by an increase in the cost of removal obligation.

The following summarizes the net position variances for the year 2024 and 2023:

In 2024, current assets increased by $154 million to $2,703 million due to an increase in customers receivables from increase in revenue. Capital assets increased by $390 million to $7,298 million, compared to last year, due to increased spending on transmission capital projects. Other noncurrent assets increased by $203 million, primarily due to an increase in the OPEB assets and an increase to regulatory assets for AFUDC. Deferred outflows decreased by $80 million primarily due to changes in the deferral of OPEB, as well as the decrease in the outflow of accumulated hedging derivatives. Current liabilities increased by $210 million primarily due to the issuance of commercial paper. Other noncurrent liabilities increased by $240 million primarily due to the increase in long-term debt of $450 million due to the issuance of 2024 A Bonds at a premium of $62 million offset by defeasance of prior debt, $260 million. The defeasance generated $21 million of present value savings. In total, the Authority eliminated $368 million of future scheduled principal and interest payments on the Defeased Bonds and Subordinated Notes at a cost of $275 million including $260 million of long-term debt and $15 million of subordinated debt. Deferred inflows of resources increased by $58 million primarily due to an increase in pension valuation.

Capital Assets

The Authority estimates it will expend approximately $5.8 billion ($3.5 billion for various capital improvements, which include $200 million for facilitating investments through NYREDHC in renewable energy projects, $297 million to Revitalize the Canals with a primary focus on maintaining and improving Canal infrastructure), and $1.3 billion for Energy Efficiency Services projects with a primary objective of helping the State reduce its energy consumption and cut energy costs over the four-year period of 2026-2029. The Authority anticipates that these expenditures will be funded using existing construction funds, internally generated funds, separately financed project bond issuances, and additional borrowings. Any additional borrowings are expected to be accomplished through the issuance of commercial paper notes and/or the issuance of long-term debt. NYREDHC total expenditure of $1.2 billion included in the $5.8 billion above will be funded as follows: $200 million by NYPA's future equity commitments and $967 million by a combination of project debt financing, existing equity, an intercompany loan facility, tax credits, and appropriated State Sustainable Future Program funds.

The Authority's capital plan includes $1.3 billion in financing for Energy Efficiency Services projects to be undertaken by the Authority's governmental customers and other public entities in the State which amount will be reimbursed subsequently back to the Authority. All capital expenditures are subject to evaluation and approval of the Authority's Trustees.

Projected capital requirements during 2026-2029 (in millions):

Transmission Business Development	$530
Propel NY Energy**	399
Revitalize the Canals*	297
Uniondale Hub Substation Upgrade**	267
New York Renewable Energy Development Holdings Corporation ("NYREDHC")	200
Asset Management & Resilience	175
IT (Application, Core, Cyber, and Data) Programs	160
Digitalization & Technology Platforms	110
Transmission Life Extension & Modernization (T-LEM)	100
White Plains Office Building Facilities	97
Niagara & St. Lawrence Crane Replacement Program	80
Project Luminate (Enterprise Resource Planning - ERP)	68
Robert Moses Superstructure Bridge Replacement	68
Next Generation Niagara	67
Smart Path Connect**	59
Long Sault Dam Capital Program	54
NYPA/Ontario Power Generation Regulatory Asset Program	46
Strategic EV Charging Station Installations	45
JW Massena Canal Dam	35
All Others ***	695
	$3,552

* A portion of total amount is contingent upon receiving outside grants/funding.
**Separately Financed Projects - Refer to section on SFP under MD&A and Note 3 in Notes to Consolidated Financial Statements. The Propel Project and Uniondale Hub Substation are expected to be financed as a Separately Finance Project.
***Includes various small projects
See Note 20 in Notes to Consolidated Financial Statements, Other Developments, for details on certain projects listed above.

The above expenditure excludes $1.3 billion for Energy Efficiency Services projects over 2026 through 2029.

The above capital expenditure excludes $967 million for NYREDHC projects over 2026 through 2029. NYREDHC expects to fund these renewable energy projects with a combination of project debt financings, existing equity, an intercompany loan facility, available federal tax credits, and appropriated state Sustainable Future Program funds which are further described under "Legislation Expanding NYPA's Development Authority" in MD&A.

More detailed information about the Authority's capital assets is presented in Note 4(d) "Summary of Significant Accounting Matters – Capital Assets", Note 7 "Capital Assets" and Note 20 "Other Developments" of the Notes to the Consolidated Financial Statements.

Long-Term Debt Activity

	2025	2024	2023
		($ In Millions)	
Long-term debt, net of current maturities			
General Resolution:			
Senior:			
Revenue bonds	$ 1,799	$ 1,805	$ 1,519
Subordinated:			
Subordinated Notes, Series 2017 and 2012	-	-	35
Separate Revenue Bond Obligation:			
Transmission Resolution Revenue Bonds (1)	1,329	1,367	1,391
Total long-term debt, net of current maturities	3,128	3,172	2,945
Net Position	5,516	5,234	5,075
Long-term debt to equity ratio (excluding Transmission Resolution Revenue Bonds and NYREDHC)	0.35	0.37	0.32

(1) The Transmission Resolution Revenue Bonds are limited obligations of NYPA payable solely from and secured by the trust estate pledged under the Transmission Bond Resolution. See Note 3 of the Notes to the Consolidated Financial Statements.

In October 2024, the Authority issued $450 million in Revenue Bonds, Series 2024 A (Green Bonds) ("2024 A Bonds"), entering the market with positive momentum supported by two ratings upgrades and significant investor interest. 2024 A Bonds achieved one of the lowest All-In True Interest Costs compared to other bond transactions priced in the same time frame. The Authority anticipates the proceeds of the 2024 A Bonds will be applied exclusively for a project and activity that promotes climate or other environmentally sustainable purposes in alignment with the four core components of the Green Bond Principles 2022, published June 2022 by the International Capital Market Association.

FERC approved the settlement order in December 2025 with a November 1, 2024, effective date. The uncontested settlement establishes a new base ROE of 9.75% and adopts a fixed capital structure of 51% Equity to 49% Debt. The transition to a fixed capital structure ensures that NYPA's weighted average cost of capital remains independent of any fluctuations in its outstanding debt levels. For more details, refer to the 'Rate Actions' section in MD&A.

Under the General Bond Resolution, long-term debt to equity (long-term debt/net position) ratio as of December 31, 2025, and 2024, was at 0.35-to-1 (Long-term debt $1.79 billion and equity $5.10 billion) and at 0.37-to-1 (Long-term debt $1.81 billion and equity $4.91 billion), respectively. As of December 31, 2025, $256 million, consisting of the Series 1 and Series 4 CP Notes, is excluded from the long-term debt-to-equity ratio, as it is used by the Authority to finance the Authority's current and future energy efficiency programs on behalf of its customers.

	Moody's	Standard & Poor's	Fitch	KBRA
NYPA's underlying credit ratings:				
General Resolution Revenue Bonds:				
Senior Long-Term Debt	Aa1	AA	AA	AA+
Separate Revenue Bond Obligation				
Transmission Resolution Revenue Bonds	Aa3	See note (a) below	AA-	AA
Commercial Paper	P-1	A-1+	F1+	N/A

(a) Standard & Poor's Ratings Service assigned an insured rating of AA for the Series 2022A and 2023A bonds based on the policy provided by Assured Guaranty Municipal Corporation.

In 2024, Moody's Investors Service ("Moody's") affirmed NYPA's Commercial Paper rating and upgraded the General Bond Resolution Revenue Bonds Senior Long-Term Rating to 'Aa1' from 'Aa2' with a stable outlook. Moody's also upgraded the Transmission Resolution Revenue Bonds rating to 'Aa3' from 'A1', with a stable outlook.

In 2024, Standard & Poor's Ratings Service ("S&P") affirmed NYPA's Commercial Paper rating, General Bond Resolution Revenue Bonds Senior Long-Term Rating, with a stable outlook. In addition, S&P also affirmed the 'AA' insured rating on the Transmission Resolution Revenue Bonds based on the policy provided by Assured Guaranty Municipal Corporation ("AGM").

In 2025, Fitch Ratings ("Fitch") affirmed NYPA's Commercial Paper rating, General Bond Resolution Revenue Bonds Senior Long-Term Rating, with a stable outlook. Fitch also affirmed the 'AA-' rating with a stable outlook to the Transmission Resolution Revenue Bonds.

In 2025, Kroll Bond Rating Agency ("KBRA") affirmed the General Resolution Revenue Bonds Senior Long-Term Rating of AA+ with a stable outlook. KBRA also affirmed the Transmission Resolution Revenue Bonds rating of 'AA'

Debt Service Coverage Ratios ("DSCR")

NYPA calculates the debt service coverage ratio based on EBIDA. All debt-related principal and interest cash payments are included for coverage.

General Resolution

On issuance of the 2024 A Bonds, NYPA raised $62 million for interest payments related to these bonds. $24 million of the $62 million referred to above was capitalized as of December 31, 2025 (none for 2024) and has been deducted from the total debt service to calculate General Bond Resolution DSCR, as stated below.

DSCR for NYPA's General Bond Resolution for 2025 was 13.06x, based on the Authority's EBIDA, excluding SFP and NYREDHC, of $614 million with net debt service at $47 million.

DSCR for NYPA's General Bond Resolution for 2024 was 8.40x, based on the Authority's EBIDA, excluding SFP and NYREDHC, of $462 million with total debt service at $55 million.

Transmission Bond Resolution

On issuance of the Series 2023A Bonds, NYPA raised $42 million for interest payments related to these bonds. Of this amount, $14 million was capitalized as of December 31, 2025, and $30 million was capitalized as of December 31, 2024. These amounts have been deducted from the total debt service in the calculation for the Transmission Bond Resolution DSCR, as stated below.

For the Transmission Bond Resolution, DSCR was 2.45x for the bond year ending November 15, 2025, based on SFP's EBIDA $169 million with net debt service at $69 million.

For the Transmission Bond Resolution, DSCR was 3.55x for the bond year ending November 15, 2024, based on SFP's EBIDA $174 million with net debt service at $49 million.

Separately Financed Projects ("SFP")

Overview

In April 2022, NYPA issued $608 million of Green Transmission Project Revenue Bonds, Series 2022A (the "2022A Bonds") to fund the Smart Path and Central East Energy Connect ("CEEC") transmission construction projects. In November 2023, NYPA issued $734 million of Green Transmission Project Revenue Bonds, Series 2023A to fund the Smart Path Connect ("SPC") Project (the "2023A Bonds", together with the "2022A Bonds", referred to as "Transmission Resolution Revenue Bonds"). Proceeds of the bonds are being used to fund capital and other expenditures, including reimbursing expenses related to Transmission Resolution Revenue Bond project costs; and to pay financing and other costs relating to the issuance of the Transmission Resolution Revenue Bonds. The CEEC, Smart Path, and SPC Projects are collectively referred to as "Separately Financed Projects" or "SFP"

The 2023A Bonds are supported by the 2023A Debt Service Reserve Fund which, at the time of issuance of the 2023A Bonds, was funded with a Municipal Bond Debt Service Reserve Insurance Policy issued by Assured Guaranty Municipal Corporation ("AGM") in the amount of $46 million, which is equal to the 2023A Debt Service Reserve Requirement.

The Series 2022A and 2023A Transmission Resolution Revenue Bonds, together with any other bonds issued under the Transmission Bond Resolution ("Transmission Resolution Revenue Bonds") are neither payable from nor secured by revenues pledged directly or indirectly under the General Bond Resolution. Owners of the Transmission Resolution Revenue Bonds will neither have any rights to nor be secured by any NYPA revenues pledged to the payment of obligations issued under the General Bond Resolution. Transmission Resolution Revenue Bonds are limited obligations of NYPA payable solely from and secured by the SFP Transmission Trust Estate pledged under the Transmission Bond Resolution. Transmission Resolution Revenue Bonds bondholders have a lien only on revenue streams generated by the assets that are funded by the bond proceeds. Transmission Resolution Revenue Bonds are secured and payable separate and apart from NYPA's General Bond Resolution (Refer to Note 5 of notes to the consolidated financial statements for more information on Bond Resolutions and Related Matters).

Payments are received by NYPA from NYISO on account of SFP Transmission Revenues and deposited in an allocation account, established pursuant to a depository trust agreement (the "Depository Trust Agreement") by and between NYPA and a bank or trust company designated by NYPA. Amounts held in the Allocation Account constituting SFP Transmission Revenues are subject to the lien created by the Transmission Bond Resolution.

The SFP Transmission Revenues, once identified, are transferred to a Revenue account and subject to withdrawal and deposit in priority, as follows:

1. Operating Fund to cover SFP Transmission Operating Expenses expected to be payable in the succeeding calendar month less amounts held in the Operating Fund.

2. Debt Service Fund, in the amount payable in the succeeding calendar month, represents Debt Service on SFP Transmission Obligations. As of December 31, 2025, there is a balance of $7.9 million in the Debt Service Fund.

3. Operating Reserve represents accounts that fund any shortfalls in the Operating Reserve Account. The reserve should be in the amount of 50% of the succeeding calendar year's operation and maintenance budget. The balance as of December 31, 2025, was $37.7 million.

4. Debt Service Reserve Fund represents amount that funds any shortfall in accordance with the Debt Service Reserve Fund Requirement. For the 2022A and 2023A Bonds, this account was funded by depositing AGM insurance policies and is not funded by any SFP Transmission Revenues. For the 2022A and 2023A bonds, the AGM issued a policy in the amount of $35 million and $46 million, respectively, which is 125% of the average annual debt service.

5. Payment of any subordinated indebtedness, which currently there is none.

6. Capital funds for any expected capital improvements.

Any remaining values after each fund is adequately funded, per the Transmission Bond Resolution, are eligible for distribution to the General Bond Resolution pending an annual Debt Service Coverage ratio test and other required certifications. The SFP Transmission Project fees, rates, rents, charges, and surcharges must at least equal 120% of Debt Service payable in the most recently completed fiscal year and in the most recently completed 12 calendar months period ending on the last day of the ninth month of such fiscal year, net of all O&M and required payments. If such a test is not met, the cash is unavailable to the General Bond Resolution bondholders. NYPA was in compliance of all necessary criteria for distribution in 2025, and on December 19, 2025, a $25 million distribution was made from SFP to the Authority.

On issuance of the Series 2023A Bonds, NYPA raised $42 million for interest payments related to these bonds. $14 million of the $42 million referred to above was capitalized as of December 31, 2025. This amount has been subtracted from the total debt service in the calculation of the Transmission Bond Resolution debt service coverage ratio, resulting in a ratio of 2.45x for the bond year ending November 15, 2025.

For the issuance of any additional Transmission Resolution Revenue Bonds, NYPA will be required to satisfy additional bond test.

NYPA contributed $74 million and $75 million in equity to fund the balance of costs not covered by the 2022A and 2023A Bonds, respectively.

a) Smart Path (Moses Adirondack Smart Path Reliability Project)

NYPA has completed all major construction of the Moses Adirondack line ("Smart Path") project, one of NYPA's backbone transmission facilities. The project covers 78 miles of 230 kV transmission line from Massena to the town of Croghan in Lewis County.

In July 2017, NYPA received authorization under the New York Independent System Operator ("NYISO") tariff to include the costs of this project in its NYPA Transmission Adjustment Charge ("NTAC") mechanism for cost recovery of the Authority's transmission system costs, which means the costs will be allocated to all ratepayers in the State. The project included the update of obsolete wood pole structures with higher steel pole structures, and the update of failing conductor with new conductor and insulation. The line will operate at its current 230 kV level, but the conductor and insulation design will accommodate future 345 kV operation when Smart Path Connect (as referred to in subsection "C" below) is complete. NYPA anticipates the Moses Adirondack line will support the transmission of growing levels of renewable generation located in upstate New York and Canada, such as wind and hydroelectricity, and assist in meeting the State's renewable energy goals. The rebuilt line, in line with NYISO's initiative, will enhance grid reliability.

As of December 31, 2025, NYPA had a capital spend of $458 million (excluding capitalized interest) for Smart Path, and the remaining amount to close out the project which is not expected to exceed $484 million will be accounted for as incurred. Construction commenced in 2020 and as of December 31, 2023, all six segments for Smart Path have been placed into Electric Plant in Service ("EPIS") and are part of the Authority's Annual Transmission Revenue Requirement ("ATRR").

The Smart Path project was funded with proceeds from the 2022A Bonds as mentioned above. See Note 3 on Separately Financed Projects for further information.

b) Central East Energy Connect ("CEEC") (Marcy to New Scotland Upgrade Project)

In April 2019, the NYISO board approved a project proposed by LS Power Grid New York, LLC (then called NAT) and NYPA through NYISO's Public Policy Transmission Planning Process. The project, Segment A, also known as Central East Energy Connect (CEEC), aims to boost transmission capacity from central to eastern New York. Its main component is a new double-circuit 345 kV transmission line connecting the Edic and New Scotland substations. The Authority's Trustees authorized NYPA's 37.5% purchase option in July 2020. On January 27, 2020, LS Power Grid New York, LLC transferred project assets and assigned the participation agreement to LS Power Grid New York Corporation I (LS Corp.). The parties, NYISO, LS Corp., and NYPA executed a development agreement for Segment A on February 3, 2020, submitted it to FERC on March 4, 2020, and received FERC's acceptance on April 16, 2020.

The upgraded transmission lines and new substations, as part of the Segment A project, were energized as part of the New York electrical system in December 2023.

As of December 31, 2025, NYPA had capital spend of $237 million for CEEC. The project was funded with proceeds from the 2022A Bonds as mentioned above. CEEC is 100% placed in service with minor closeout and restoration items being completed. See Note 3 on Separately Financed Projects for further information.

c) Smart Path Connect

To meet the advancement of the State's energy goals and to support the Authority's VISION2030 goals, in 2020 the New York State Public Service Commission ("NYSPSC") approved the Smart Path Connect Project ("SPC Project") as a Priority Transmission Project. The project was substantially placed in service by the end of 2025 with a small portion to be placed in service in 2026. The SPC Project was developed in cooperation with National Grid.

The SPC Project consists of rebuilding approximately 110 linear miles of existing 230 kV transmission lines in northern and central New York to 345 kV, along with associated substation construction and upgrades, to address existing congestion and curtailment issues by establishing, together with other projects under development by NYPA, a continuous 345 kV transmission path from areas of planned renewable generation to New York's load centers.

The SPC Project includes rebuilding all or parts of the following transmission lines: The remaining section of the Authority's Moses-Adirondack 1&2, the Authority's Moses-Willis 1&2, the Authority's Willis-Patnode and the Authority's Willis-Ryan; and National Grid's Adirondack to Porter (Chases Lake-Porter Line 11, Adirondack-Porter Line 12, and Adirondack-Chases Lake Line 13), as well as connecting to the Authority's Moses-Adirondack 1&2 transmission facilities.

The SPC Project was built primarily within existing rights-of-way. The goal of the SPC Project is to allow for renewable generation from northern New York regions to be transmitted downstate, improving the State's renewable energy consumption, as well as the efficiency of energy pricing throughout the State. As of December 31, 2025, 49 miles of transmission line upgrades have been completed, all new greenfield substations (Willis Annex, Haverstock and Adirondack) have been energized, and the breakers at Ryan and Patnode substations have been energized.

As of December 31, 2025, NYPA had capital spend of $853 million (excluding capitalized interest) for the SPC Project. In 2023, NYPA issued $734 million of 2023A bonds (net proceeds totaling $751 million, which includes $17 million of premium) to support the SPC Project. The project is approved by the Authority's Trustees for $920 million.

d) Revenue Recovery

The Authority's total cost of providing electric transmission services throughout the State is expressed in its ATRR. The ATRR is determined by a FERC-regulated formula that calculates the total annual revenue that the Authority may earn for providing transmission service on its system, which is included in the NYISO tariff. The Authority's regulated transmission formula rate year spans from July 1st – June 30th and utilizes prior calendar year actual costs to set its upcoming rate year ATRR.

The Authority recovers its full transmission system costs under its formula rate, but for internal purposes, the Authority recognizes that certain projects are separately financed, i.e. the SFP and the revenue requirements for those projects can be tracked under the formula rate. To determine the revenues pledged to SFP, the Authority annually separates and reports the transmission revenue requirement for each project housed within the SFP (Smart Path, Smart Path Connect, and CEEC). The annual revenue requirements for the SFP projects follow the existing FERC-approved formula rate, which includes the projects specific depreciation and amortization expense, and allocates the appropriate share of return on rate base, and Operating Expenses (Transmission Operation & Maintenance, Allocated Administrative & General, and Allocated General Plant Depreciation & Amortization) to the SFP.

The financial statements and notes to accounts as reported under Notes to Consolidated Financial Statements (See Note 2 and Note 3) provide the financial information relating to the SFP.

Clean Energy Standard

In 2016, the NYSPSC issued an order establishing a Clean Energy Standard (the "CES Order") to implement the clean energy goals of the State Energy Plan. Pursuant to the CES Order, load-serving entities identified in the order are required to purchase Zero Emission Credits ("ZECs") from NYSERDA

to support the preservation of existing at-risk zero emissions nuclear generation. The Authority is not subject to NYSPSC jurisdiction for purposes of the CES Order but has assumed an obligation to purchase ZECs consistent with the terms of the CES Order 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 NYSPSC'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 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. The Authority and NYSERDA executed an additional agreement covering 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 December 31, 2025, the Authority estimates that it will incur costs associated with participation in the ZEC program of $188 million in aggregate over the 2026 through 2029 period, of which approximately $1 million is not expected to be recovered under customer contracts that predate the adoption of the CES. As of December 31, 2025, the Authority has paid $527 million in ZEC purchase costs, and as of December 31, 2024, it paid $473 million.

In addition, the Authority executed an agreement with NYSERDA on August 30, 2021, to purchase Tier 1 Renewable Energy Credits ("REC's") starting in 2024. On April 20, 2023, the NYSPSC issued an order modifying the manner in which NYSERDA administers the Tier 1 REC program. No RECs have been purchased by the Authority under the agreement, and no RECs could be purchased absent an amendment to the agreement reflecting the program modifications or additional regulatory action.

Clean Energy Solutions

The Authority offers energy efficiency services to the State's public and other statutorily eligible entities to reduce energy consumption and cut energy costs. The Authority has been implementing energy efficiency projects since the early 1990s and has invested more than $4.3 billion in energy efficiency projects, yielding more than 1,965 GWH estimated annual savings statewide.

The Authority offers comprehensive energy efficiency services tailored to each participant's needs. Services include energy audits, advisory services, metering, data analytics, lifecycle cost analysis, engineering/design services, procurement, project management, construction management, and project close-out. The Authority manages all aspects of the project for the customer so the customer can focus their attention on their core responsibilities while major projects are being implemented. The Authority recovers all costs incurred plus its fees through customer milestone payments on such projects with no material impact on its financial results.

On an annual basis, the Authority implements an average of $250 million in energy efficiency and clean energy technology projects. As of December 31, 2025, the outstanding balance for energy efficiency and clean energy technologies projects in the Authority's balance sheet was a total of $559 million, with $283 million of the loan balance and $276 million of energy efficiency program cost that will be billed to the customers.

BuildSmart 2025

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 BTU. State entities, including NYPA, were allocated a portion of the energy savings goal and reported energy saving projects by December 31 that met the 11 trillion British Thermal Units (BTUs) energy savings target. The Authority 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.

Nuclear Development Project

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

Governor Kathy 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 to four gigawatts of new nuclear energy that will combine with NYPA's previously announced one gigawatt project.

NYPA, in coordination with the DPS, will seek to develop at least one or more new 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 State's electric grid and the people and businesses that rely on it. NYPA commenced pre-feasibility work and issued two Requests for Information (RFI) targeting Developer/Partners to learn about their capabilities and interest in this effort, and communities that wish to host nuclear. NYPA received 23 responses from potential developers or partners, and eight responses from Upstate New York communities in response to the two RFIs respectively. NYPA is in the process of reviewing the responses to determine the next steps. This initiative advances our vision: a thriving, resilient New York powered by clean energy.

NYPA did not spend any material amount on this project in 2025. 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 on 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.

Economic Conditions

VISION2030 Renewed (https://www.nypa.gov/VISION2030-Renewed) is NYPA and the Canal Corporation's refreshed roadmap, outlining our multipronged commitment to driving New York State's clean energy future and was approved by the Authority's Trustees in March 2025.

The Authority believes, based on evaluations it has performed, that the impact, if any of the current economic conditions related to inflation, supply chain constraints, and geopolitical conflicts, is not expected to be material to the Authority's future financial condition or operations.

Further, the Authority cannot predict at this time whether any laws or regulations will be repealed or amended, or whether any additional legislation or rules will be enacted at the State or federal level that will have economic impact on the Authority's operations and if such laws are enacted, what the effect of such actions might be in the future.

Sustainability

The Authority is committed to developing and implementing sustainable business practices that prioritize economic, environmental and social outcomes that are expected to contribute to long-term

value creation for the Authority and its stakeholders. In 2020, guided by the *Global Reporting Initiative Standards* and the *AA1000 Accountability Principles*, the Authority developed and published its 2021-2025 Sustainability Plan, which was intended to serve as a roadmap to help bring the Authority's sustainability ambitions to life. VISION2030 Renewed reaffirms the Authority's sustainability ambitions, establishing four enterprise commitments to integrate sustainability into how we operate. The Authority is developing a 2026-2030 Sustainability Plan which is built around these four commitments. Our Sustainability Plans align with Executive Order 22, which directs state agencies to adopt a sustainability and decarbonization program.

The Authority issued 2020 and 2021 Annual Reports and Sustainability Reports and 2022, 2023 and 2024 Integrated Reports that describe its progress in achieving VISION2030 and 2021-25 Sustainability Plan goals. The annual Integrated Reports aim to apply Integrated Reporting Framework principles and bring together environmental, social, and governance data and audited financial information to present a more comprehensive view of the Authority's value creation process. They also strive to align with the Global Reporting Initiative Standards, the Sustainability Accounting Standards Board ("SASB") Electric Utilities and Power Generators Standard, and the Task Force on Climate-Related Financial Disclosures ("TCFD") reporting framework. The 2024 Integrated Report can be accessed at https://www.nypa.gov/Innovation/Initiatives/Sustainability. The 2025 Integrated Report will be issued in the third quarter of 2026.

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 Small Natural Gas Power Plants ("SNGPPs"), consisting of seven facilities located at six sites in New York City and one site in the service region of Long Island Power Authority. Three of the units have a single natural-gas-fueled combustion turbine electric generation units, while four of the sites have two units.

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

As part of the NYPA's strategy to meet the legislative mandate, NYPA published a plan in May 2025, to stop generating electricity with fossil fuel combustion at the SNGPPs by the end of 2030, if conditions allow. The plan identifies air emission and power system reliability challenges as NYPA plans to deactivate as many of its SNGPPs as possible by the end of 2030. The plan concluded that NYPA must conduct additional studies with 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. Findings from more in-depth air quality analysis will equip NYPA with input from the impacted communities, the NYISO and the Department of Public Service, to identify which power plants it can deactivate by 2030 or sooner without making air quality worse. As part of NYPA's strategy to meet the legislative mandate, NYPA is in negotiations with battery developers for five SNGPP sites.

Regional Greenhouse Gas Initiative

The Regional Greenhouse Gas Initiative ("RGGI") is a cooperative effort by Northeastern and Mid-Atlantic states, including New York, to reduce carbon dioxide ("CO2") emission levels. Central to this effort is the implementation of a multi-state cap-and-trade program with a market-based emissions trading system. Participating states established a regional carbon dioxide emissions cap from the power sector (fossil fuel-fired power plants 25MW or greater); for New York State, its Department of Environmental Conservation set the applicability at 20MW or greater. The program requires electricity generators to hold carbon dioxide allowances in a compliance account, in a quantity that matches their total emissions, for the three-year compliance period. The program also provides for (1) an annually replenished Cost Containment Reserve ("CCR") that is used if emission reduction costs are higher than projected (auction clearing price exceeds a predetermined trigger price), and (2) an Emission Containment Reserve ("ECR") to withhold allowances from circulation if credit prices fall below an established trigger price (i.e., when emission reduction costs are lower than expected). RGGI States make periodic adjustments to the RGGI cap to account for banked CO2 allowances accumulated through the third control period. The size of the adjustment was calculated in March 2021, and the adjustment was made over a five-year period (2021-2025), as specified in the 2017 Model Rule.

In July 2025, the RGGI States completed the Third Program Review, and agreed to further reduce their regional CO2 emissions cap incrementally over 10 years starting in 2027. The updated Model Rule reduces the regional emissions cap in 2027 through 2033 by about 10.5% of the 2025 budget on average per year. From 2034 through 2037, the cap will decline by about 3% of the 2025 budget on average per year. To ensure availability of RGGI allowances to address grid reliability needs and mitigate cost volatility, the updated Model Rule contains language to revise the existing CCR, which includes increasing the size of the CCR and implementing a second tier of CCR allowances available at auction at a higher trigger price. The updated Model Rule also replaces the ECR with an increased minimum reserve price (the lowest price at which RGGI allowances may be sold at auction). The increased minimum reserve price matches the existing ECR trigger price trajectory. The new minimum reserve price is $9.00 for 2027 and increases by 7% annually. Should the auction price fall below minimum reserve price, all allowances at such price will be withheld. Lastly, the updated Model Rule removes offset allowances from the RGGI program beginning in 2027. Previously, the RGGI program provided for award of RGGI offset allowances to eligible projects, which could be held, traded and used in the same way as purchased RGGI CO2 allowances.

The Authority's Richard M. Flynn Power Plant, the Small Natural Gas Power Plants, and Eugene W. Zeltmann Power Project are subject to the RGGI requirements. The Authority has participated in program auctions to acquire carbon dioxide allowances and expects to recover RGGI costs through its power sales revenues. The Authority continues to monitor proposed federal and state legislation, regulations, and programs (including any changes to RGGI) that would impact carbon dioxide emission levels and associated costs.

Competitive Environment

The Authority's mission statement ratified by the Authority's Trustees in December 2020, 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 Authority's hydropower and transmission assets are foundational to achieving a decarbonized grid and the Authority is committed to enhancing their flexibility and ensuring their continued reliability. Additionally, through its renewable development authority (per the 2023-2024 State Budget) the Authority is expanding its portfolio of clean energy resources.

The Authority operates in a competitive market environment. Through its participation in the NYISO and commodity markets, the Authority is subject to energy, fuel, capacity, and non-energy commodity price uncertainty which impacts revenue and costs, which may be passed on to customers. Any market volatility can potentially have adverse effects on the Authority's financial condition.

To mitigate and moderate impacts to the Authority, many of the Authority's customer contracts provide for the complete or partial pass-through of these costs, and at times, the Authority hedges commodity market risks through the use of financial derivative instruments and/or physical forward contracts.

The Authority can give no assurance that, even with these measures, it will retain its competitive status in the future marketplace as a result of the restructuring of the State's electric utility industry, the emergence of new competitors, and increased competition from existing market participants.

Clean Path Transmission Project

On December 23, 2024, the Authority filed a petition with the NYSPSC seeking a Priority Transmission Project ("PTP") designation in Case 20-E-0197 related to the Clean Path Transmission Project.

On August 14, 2025, the NYSPSC issued an Order in Case 20-E-0197 denying the Authority's petition to implement the Clean Path Transmission Project under a PTP designation.

On December 20, 2024, the co-applicants (NYPA and Clean Path NY), DPS Staff and intervening parties to the NYS Public Service Law (PSL) Article VII settlement paused the settlement proceedings and effectively commenced a tolling of the 12-month decisional requirement set forth in PSL Section 123. Settlement remains on pause at this time.

Propel New York Energy Project

On June 20, 2023, the NYISO announced the selection of Propel NY Alternative Solution 5 ("Propel Project") as the project that will meet the identified Long Island Public Policy Transmission need to strengthen the Long Island Extra High Voltage Grid and its connections to rest of the State.

The Propel Project is being collaboratively developed by NYPA and New York Transco ("NYT") pursuant to the Development Agreement and will meet the transmission need through new electric transmission lines, new substations, and existing substation upgrades. On May 3, 2024, NYT, NYPA and NYISO signed a Development Agreement to deliver the project consistent with NYISO's Open Access Transmission Tariff. The Development Agreement includes a required in-service date for the project of May 31, 2030.

The Propel Project will establish a continuous 345kV path that greatly expands the reliability of the Long Island Extra High Voltage Grid. The Propel Project consists of the following electric transmission facilities: (i) East Garden City – Tremont 345 kV PAR-controlled line; (ii) Shore Road – Sprain Brook two (2) 345 kV PAR-controlled lines; (iii) Barrett – East Garden City 345 kV PAR-controlled line; (iv) Ruland Road – Shore Road 345 kV line; (v) Ruland Road – East Garden City 345 kV PAR-controlled line; (vi) Shore Road – East Garden City 345 kV line; and (vii) Syosset – Shore Road 138 kV PAR-controlled line.

The Propel Project is estimated to cost between $3.8 billion and $4.5 billion including contingencies to be funded by the Propel Project sponsors, NYPA, and NYT. NYPA has a right to limit its investment to $500 million towards this project, however, has the right to increase its investment to 30% of the total project cost.

NYPA's portion of the Propel Project is expected to be financed as a Separately Finance Project.

NYPA requested and has been awarded FERC incentives applicable to its investment in the Propel Project. On August 28, 2023, NYPA filed a petition for declaratory order seeking authorization to recover 100% of its prudently incurred costs pertaining to the Propel Project, in the event the project is cancelled or abandoned for reasons beyond NYPA's control ("Abandonment Incentive"). FERC granted NYPA's Abandonment Incentive request on November 6, 2023. On April 25, 2024, NYPA filed a petition for declaratory order seeking incentive rate treatment in the form of a 75-basis point return on equity adder ("ROE Risk Incentive") to recognize the significant risks and challenges associated with NYPA's investment in the Propel Project. On December 6, 2024, FERC accepted NYPA's compliance filing for Propel NY in full. In conjunction with the rate increase, the expected return on equity associated with the Propel Project has increased to 11%.

The One Big Beautiful Bill Act ("OBBBA"), enacted in July 2025, rescinded all unobligated balances of several Inflation Reduction Act 2022 ("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.

Uniondale Hub Substation Upgrade (formerly known as the East Garden City Substation Upgrade)

While Propel NY is the sponsoring developer of the Propel Project, under the Open Access Transmission Tarriff, incumbent Transmission Owners retain the right to build, own and recover the costs for upgrades to their facilities.

As identified in the NYISO's final report, upgrades to NYPA's existing Uniondale Hub substation in Nassau County, NY (formerly known as the East Garden City 345kV Substation) was deemed a required Designated Public Policy Project. NYPA, as the incumbent Transmission Owner of this substation, has confirmed to NYISO its intention to move forward with the identified upgrades. To date, NYPA has executed a development agreement with NYISO, placed orders for long-lead power equipment, and continues work on permitting, environmental site investigations, engineering design and overall planning for implementation of the substation upgrades.

In September 2025, NYPA amended the development agreement with NYISO for a change in the substation design from an air insulated substation ("AIS") to a gas insulated substation ("GIS"). Additionally, in December 2025, the NYSPSC approved NYPA's application to amend its Article VII Certificate to make the necessary upgrades for this project. The substation upgrade is estimated to cost $341 million. The substation upgrade project is expected to be financed as a Separately Finance Project.

The targeted in-service date for the Uniondale Hub Substation upgrade is mid-2029.

Electric Vehicle Acceleration Initiative

In 2018, the Authority's Trustees approved an overall allocation of $125 million for an electric vehicle charging acceleration initiative called EVolve NY, of which, to date, $117 million was authorized for capital expenditure. The Authority will operate a charging network of up to 400 Direct Current fast chargers across the State. As of December 31, 2025, 286 fast chargers were in operation, and $96

million had been spent. As of December 31, 2024, 212 fast chargers were in operation, and approximately $70 million had been spent.

Robotics and Drone Program

The Authority's Robotics program has continued its rapid growth and technological innovation throughout 2025. As of December 31, 2025, the program has completed 2,941 on-site missions. In addition, more than 695 Remote Operations Missions have been executed from the Authority's Visher Ferry location, demonstrating true beyond-line-of-sight operational capabilities and supporting a distributed inspection model.

Throughout 2025, the program secured multiple Federal Aviation Administration waivers and airspace authorizations, ensuring we maintain full operational compliance while expanding flight envelopes and remote operations over all Authority assets.

The Robotics program has trained more than 140 NYPA employees to operate emerging technologies, demonstrating a strong commitment to integrating robotics within the existing workforce.

On July 27, 2023, the Authority's Trustees authorized a Capital Expenditure Authorization of $11 million for the initial implementation of the Robotics program. Additionally, the Authority's Trustees provided concurrence with the five-year implementation plan of the Unmanned Aerial Systems Drone and Robotics Program, that has a total program cost of $37 million. The remaining balance of $26 million, after the $11 million authorization, was approved to be released earlier this year for advance operations.

As of December 31, 2025, and December 31, 2024, spend on the Drone and Robotics program was $15 million and $8 million respectively.

Rate Actions

Power and energy from the St. Lawrence-FDR and Niagara hydropower facilities ("the Projects") are sold under contract to municipal electric systems, rural electric cooperatives, commercial and industrial and other business customers, non-profit corporations, certain public bodies, investor-owned utilities, and out-of-state customers. The rates charged for firm power sold to these customers have been established based upon contractual terms for each power program.

NYPA's Preference Power Rates for firm power, firm peaking power and associated energy sold by NYPA, as applicable, to the fifty-one municipal electric utility systems and rural electric cooperatives in the State, two public transportation agencies, three investor-owned utilities for the benefit of their rural and domestic customers, seven out-of-state public customers, seven host community customers, and the Tuscarora Nation, are sold at cost in accordance with NYPA's statue calling for rates that enable the resale of hydroelectricity at the "lowest possible price".

The last Preference Power rate modification with three successive rate increases occurring in 2012, 2013, and 2014, was approved by the Authority's Trustees in November 2011.

In December 2024, NYPA proposed a rate adjustment as Preference Power rates were not recovering NYPA's costs but withdrew it in February 2025 in response to affordability concerns raised by Governor Kathy Hochul and customer groups. After further discussions, NYPA worked closely with its customers to develop a plan for moderate rate increases over a longer timeline to ensure rate certainty over an extended time frame.

On September 23, 2025, the Authority's 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 period, NYPA made a final recommendation, and the Authority's Trustees approved the new rates in December 2025.

The Authority's Trustees' action authorized the adoption of a Preference Power rate plan commencing April 1, 2026 ("2026 Rate Plan") which covers a six-year period with rates increasing every April 1st 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 will implement the first Preference Power rate increase since May 2014 and will represent less than a 3% annual increase on total bills for end-use customers each year of the 2026 Rate Plan.

Niagara's Preference Power and Expansion & Replacement Power, St. Lawrence-FDR's Preservation Power, as well as ReCharge New York's customers are legislatively assigned 90% of the current capability recognized by the NYISO for the Projects. As of December 2025, the program allocations from the projects were 50% for the Preference power and Preservation power customers, 30% for Recharge Customers and Expansion & Replacement Power and the balance 20% merchant customers. The generation from the projects will vary seasonally according to the weather and hydrological conditions and as such the allocation percentage could potentially change.

In 2019, the Authority's Trustees approved a seven-year extension of an agreement for the sale of firm hydroelectric power and energy from the St. Lawrence-FDR project to the Aluminum Company of America ("Alcoa") at its West Plant facilities. The existing contract with Alcoa, for an aggregate of 240 MW, was executed effective April 1, 2019, through March 31, 2026, replacing prior long-term contracts. The contract extension provides for monthly Base Energy Rate adjustments based on the price of aluminum on the London Metal Exchange and the Midwest U.S. Premium price published by Platts and contains provisions for employment (450 jobs) and capital commitments ($14 million). Changes from the previous contract included a reduced allocation of 245 MW, with the additional 5 MW being allocated to Arconic, a business independent of Alcoa, sold under a separate Preservation Power sale agreement; a monthly Clean Energy Standard ("CES") charge relating to Zero Emission Credits ("ZEC") and Renewable Energy Credits ("REC") that NYPA purchases which are attributable to Alcoa's load. The contract specifies a sharing mechanism for the CES charges between Alcoa, the State, and NYPA, whereby Alcoa's share increases as the aluminum price increases. NYPA has entered into aluminum contracts to mitigate potential downside risk in that market, with future activities based upon prevailing economic conditions as appropriate.

In July 2025, the Authority's 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 Authority's Trustees approved the final contract, and the contract was transmitted to the governor and approved in October 2025. The term of the new agreement will be ten 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 jobs 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, it will be provided with the option of extending the contract for the second five-year term. If the contract is extended for a 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.

In March 2023, the Authority's Trustees approved a 140 MW ReCharge New York ("RNY") allocation and a 404 MW High Load Factor ("HLF") power allocation to Micron New York Semiconductor Manufacturing, LLC ("Micron"). On January 16, 2026, Micron held a groundbreaking event at its Clay, NY facility, highlighting their commitment to the state of New York. NYPA is currently working to help Micron fulfill its Green CHIPS obligations, where NYPA will combine emissions-free environmental attributes with Micron's awarded RNY and HLF power allocations that are procured from market sources. Specifically, NYPA would contract with Micron for the sale of energy, capacity and emissions-free environmental attributes for Micron's RNY and HLF power allocations for a negotiated price.

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

In 2017 and 2018, NYPA executed new supplemental long-term electricity supply agreements ("Supplemental LTAs") with its eleven 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, the New York State Office of General Services. Under these Supplemental LTAs, the NYC Governmental Customers agreed to purchase their electricity from NYPA through December 31, 2027. Starting in 2023, both NYPA and the NYC Governmental Customers may terminate the agreement upon at least six months' notice. The contract is expected to continue, but with no guarantee.

Under the Supplemental LTA's 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 NYPA 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, NYPA retains rights to grandfathered and historic fixed priced transmission congestion contracts on behalf of the NYC and Westchester Governmental Customers (together "Southeastern New York" or "SENY" customers), which helps to hedge against the fluctuating energy purchase power costs.

NYPA'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 NYPA 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 NYPA's four small hydropower 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 hydropower resources into the NYISO markets, as well as grandfathered and historic fixed-priced transmission congestion contracts, help to offset the cost of the energy purchased, with an energy charge adjustment mechanism in place for cost reconciliation.

Cost recovery for NYPA's provision of transmission service over its facilities has been governed by the NYISO tariff since the formation of the NYISO in November 1999. NYPA receives cost recovery through the NYISO tariff mechanism known as the NYPA Transmission Adjustment Charge ("NTAC"), recovering NYPA's Backbone Transmission System costs on a statewide basis after accounting for NYPA's revenues received from pre-existing customer transmission service contracts, Transmission Service Charge ("TSC") assessed on customers in NYPA's upstate load zone, and other sources. In January 2016, NYPA filed with FERC to convert from a stated rate to a formula rate to ensure recovery of its ATRR based upon operating and maintenance expenses as well as the capital spending necessary to maintain the reliability of its transmission system. FERC accepted the filing and made it effective April 1, 2016, as requested, subject to hearing and settlement judge procedures. NYPA 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. The settlement was approved by FERC on January 19, 2017. The ATRR is updated annually prior to the start of each rate year (July 1st - June 30th).

In November 2022, NYPA filed to amend its Administrative and General ("A&G") expense allocator under the formula rate to no longer use a labor ratio to allocate these expenses but instead adopt a three-factor allocation method that uses equal parts direct labor, net plant, and net revenue. Per the terms of an uncontested settlement agreement approved by FERC in March 2024, NYPA is permitted to use this A&G expenses allocator effective January 2023.

In October 2024, NYPA filed to amend its base Return on Equity ("ROE") contained in the formula rate from the existing settled ROE of 8.95% to a proposed ROE of 10.98%. NYPA's proposed base ROE rate utilized FERC's updated rate of return methodologies. FERC accepted NYPA's filing in December of 2024, made effective November 1, 2024, subject to refund pending hearing and settlement procedures. Settlement negotiations resulted in a settlement base ROE of 9.75% and a 51/49 equity-to-debt capital structure, which were embodied in an uncontested settlement filed on November 17, 2025, for NTAC and non-NTAC projects authorized for recovery under the formula, with exception of the cap on equity percentage of NYPA's Marcy South Series Compensation Project which is unaffected by this filing and remained at 53% equity. FERC approved the settlement in full on December 29, 2025. The above settlement provisions are made effective November 1, 2024.

Effective July 1, 2025, the Transmission Revenue Requirement is $716 million, which includes revenue requirements for the NTAC, Marcy South Series Compensation, and AC Transmission (renamed as Central East Energy Connect) projects.

ReCharge New York Power Program

Chapter 60 (Part CC) of the Laws of 2011 (Chapter 60) established the "ReCharge New York Power Program" ("RNYPP"), administered by the Authority, which has as its central benefit up to 910 MW of low-cost power comprised of up to 455 MW of hydropower from the Niagara and St. Lawrence-FDR power projects and up to 455 MW of other power procured by the Authority from other sources. 910 MW of power is available for allocation as provided by Chapter 60 to eligible new and existing businesses and not-for-profit corporations under contracts of up to seven years. RNYPP was effective beginning July 1, 2012.

The hydropower used for the RNYPP was power formerly used to provide low-cost electricity to domestic and rural customers of the three private utilities that serve upstate New York. To mitigate the impacts from the redeployment of this hydropower for the RNYPP, Chapter 60 created a "Residential Consumer Discount Program" ("RCDP").

Part QQ of Chapter 56 of the Laws of 2023 ("Chapter 56"), which is part of the 2023-24 Enacted State Budget, made the following changes to the RCDP: (1) sunsets the residential consumer electricity discount component of the RCDP as of August 1, 2023; (2) authorizes NYPA to continue to fund the agricultural consumer electricity discount component for one additional program year (August 1, 2023-July 31, 2024) at the current annual level of up to $8 million; and (3) authorizes NYPA, for program years thereafter, to fund the agricultural consumer electricity discount up to an annual amount of $5 million

Certain New Legislation Affecting the Authority

Bills are periodically introduced or passed in the New York State Legislature that propose to limit, restrict, or expand the powers, rights, and exemptions from regulation that the Authority possesses under the Power Authority Act and other laws, or could otherwise 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 that may be introduced or passed in the future will be enacted.

State Climate Change Legislation

On July 18, 2019, the State enacted the Climate Leadership and Community Protection Act ("CLCPA"). CLCPA targets are set in statute, any changes would require action by the Legislature and the Governor. The Authority is a non-jurisdictional entity, as such CLCPA obligations do not directly apply and the Authority's role is supportive as it is not directly regulated under CLCPA mandates.

Provisions of CLCPA include (1) a requirement that specified State entities, adopt regulations to contribute to achieving statewide greenhouse gas ("GHG") emissions; (2) a requirement that State entities, assess and implement strategies to reduce GHG emissions; (3) consideration of whether actions that State entities would undertake in the course of its operations are consistent with State GHG emission limits that will be established pursuant to the enactment; and (4) potential allocation or realignment of resources to support State clean energy and energy efficiency goals for disadvantaged communities. Many of the provisions of CLCPA are not likely to be implemented for years based on deadlines established in the enactment. These provisions could impact our customers and NYPA would support them in meeting the requirements. There's no guarantee that this legislation may or may not be amended, suspended or repealed in the future. As currently enacted, NYPA doesn't expect that the provisions of the CLCPA will have any material impact.

As part of the 2020-2021 Enacted State Budget, the Accelerated Renewable Energy Growth and Community Benefit Act (the "Renewable Energy Act") was enacted to expedite the construction of clean energy projects to combat climate change in an effort to improve the State's economic recovery from the COVID-19 health crisis. Among other things, the Renewable Energy Act:

- Directs the DPS, in consultation with New York State Energy Research and Development Authority ("NYSERDA"), the Authority, the Long Island Power Authority, the NYISO, and the State's regulated utilities, to undertake a comprehensive study of the power delivery system in the State, for the purpose of identifying investor-owned utility distribution and local transmission upgrades, and bulk transmission system investments necessary to help the State meet the environmental goals of the CLCPA.

- Requires the New York State Public Service Commission ("NYSPSC") to identify bulk transmission projects that need to be developed expeditiously to meet CLCPA goals ("Priority Transmission Project(s)" or "PTP(s)").

- Declares that it is appropriate for the Authority, by itself or in collaboration with other parties to develop those bulk transmission investments designated as Priority Transmission Projects ("PTP") to NYPA that are needed expeditiously to achieve CLCPA targets.

- Authorizes the Authority, through a public process, to solicit interest from potential co-participants in each PTP it has agreed to develop and assess whether any joint development would provide for significant additional benefits in achieving the CLCPA targets, and thereafter determine to undertake the development of the PTP on its own, or undertake the PTP jointly with one or more other parties and enter into such agreements and take such other actions the Authority determines to be necessary in order to develop the PTP. For PTPs substantially within the Authority's existing rights of way, the Renewable Energy Act authorizes the Authority to select private sector participants through a competitive bidding process.

- Under this authority, the PSC designated a Priority Transmission Project to NYPA to build the Smart Path Connect Transmission Line, a 100-mile 345 kV transmission rebuild in northern New York that NYPA is building with National Grid.

Legislation Expanding NYPA's Development Authority

This section provides brief summaries, in date order, of state legislation expanding NYPA's authority.

The 2019-20 Enacted State Budget (2019-20 ESB) amended the Power Authority Act to authorize the Authority to develop electric vehicle charging stations, transmission for offshore wind, sell market power and energy and renewable energy projects to a limited category of Authority customers, public entities, or community choice aggregation ("CCA") communities, and to develop renewable energy generating projects and to purchase power, energy or related credits or attributes produced from such renewable energy generating projects, and allocate and sell such products to those entities. NYPA's authority to build new renewable resources was expanded in the 2023-24 Enacted State Budget, as detailed below.

As part of the 2022-2023 Enacted State Budget, legislation was enacted to allow the Authority, as deemed feasible and advisable by the Authority's Trustees, to enter into lease agreements with other State instrumentalities and municipal entities for the use of excess capacity in the Authority's fiber optic communications infrastructure. The purpose of this legislation is to provide affordable, high-speed broadband in unserved and underserved communities in the State. Any excess fiber optic

communication infrastructure leased out by the Authority shall be at a rate that is no greater than necessary to cover the cost of maintenance of such fiber optic communications infrastructure. The Authority will not be limited from recovering other costs incurred to make such excess capacity available in unserved and underserved communities in the State. Any authorized lease agreements shall be subject to review and comment by the Division of Broadband Access within the Empire State Development Corporation ("ESDC") in consultation with the NYSPSC.

As more specifically described in the enactment, and subject to the limitations described therein, the 2023-2024 Enacted State Budget amended the Power Authority Act to, among other things: (a) expand the Authority's authority to plan, design, develop, finance, construct, own, operate, maintain and improve, either alone or jointly with other entities, renewable energy generation projects, as deemed feasible and advisable by the Trustees ("renewable development authority"); (b) authorize the Authority to develop and implement, with the New York State Public Service Commission ("NYSPSC"), the Renewable Energy Access and Community Help or "REACH" Program, that will enable low-income or 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; (c) direct the Authority to prepare a plan for ceasing electricity production at its small natural gas-fired power plants by December 31, 2030, and to cease electricity production by such date if certain conditions are satisfied; and (d) 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 Transition and programs for workforce training and retraining to prepare workers for employment for work in the renewable energy field.

Changes made by these amendments do not affect the Authority's previously existing statutory authority.

The Authority is continuing to advance its renewable energy strategy in accordance with New York State's 2023-2024 Enacted Budget that enabled the Authority to plan, design, finance, and operate renewable energy generating projects, with and without private sector partners. In January 2024, the Authority filed a petition with the NYSPSC to establish the REACH program, which will provide renewable energy bill credits to low-income New Yorkers. In October 2024, the NYSPSC issued an order approving the Authority's petition to establish the REACH Program. The NYSPSC order implemented a structure that could make the REACH Program bill credits available as early as 2027. The Authority issued Requests for Information and Requests for Qualifications to identify and pre-qualify renewable project developers and investors for future partnerships for renewable energy projects. As of December 2025, the Authority pre-qualified 95 renewable developers and partners to collaborate on renewable energy generation projects. On January 28, 2025, the Authority issued its first strategic plan, which identifies and prioritizes actions to develop more renewable resources and support the decarbonization of New York State's electric grid. The plan includes projects that the Authority intends to develop, own, and support in the upcoming years. This initial strategic plan identified the first tranche of 37 projects, totaling 3,000 MW of renewable energy generation and storage systems.

In December 2025, NYPA approved its final Updated Strategic Plan (https://www.nypa.gov/Renewables) containing approximately 5,500 MW of capacity, reflecting some project attrition. NYREDHC expects to fund renewable energy projects as outlined in the Strategic Plan with a combination of project debt financings, available federal tax credits, NYPA equity, and appropriated state Sustainable Future Program funds.

The renewable development 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, for example, charitable donations from renewable project developers. As part of the renewable development authority, NYPA is required to end fossil fuel-based electricity generation at its small natural gas power plants by the end of 2030 if the plants are not needed for emergency power, to meet a reliability need, and if deactivating the plants will not cause more than a de minimis increase in emissions of carbon dioxide or criteria air pollutants within a disadvantaged community. NYPA will also consider, as appropriate, but not limited to, opportunities to use these sites to host renewable energy assets, including energy storage.

On December 19, 2025, further amendments were approved to the Public Authorities Law in relation to NYPA's conferral and strategic planning process for receiving input from stakeholders and the public on NYPA's strategy to develop new renewable energy generating projects. The law amends PAL § 1005(27-a)(e) to include the following:

(i) During at least three Board of Trustees' meetings each year, NYPA is required to deliver and publish a report on the development and implementation of NYPA's renewable energy generation strategic plan. A statement explaining that there is no update is acceptable.

(ii) NYPA is required to maintain a public dashboard on its website demonstrating the progress in implementing NYPA's renewable energy generation strategic plan.

(iii) NYPA is required to consider the availability of public transit when selecting locations for in-person public hearings.

The law also amends the Energy Law § 6-102 to include the Chief Executive Officer of NYPA on the State Energy Planning Board and provides for NYPA to perform staff services to support the State energy planning process.

Other State Legislation Affecting NYPA and Canals

Article 4-D of the Public Buildings Law, added by Part RR of Chapter 56 of the Laws of 2023, authorizes and directs 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, that 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. NYPA has completed and delivered the decarbonization action plans to the owners of the affected state facilities.

The 2024-2025 Enacted State Budget (Chapter 54 - Capital Projects Budget) appropriated $50 million to the Authority for services, expenses and indirect costs related to maintenance, repair, construction, reconstruction, development and preservation of the Canal System. The Authority received $10 million of that appropriation in 2024.

The 2025-2026 Enacted State Budget appropriated $2.5 million to the Authority "for the maintenance, construction, reconstruction, development or promotion of the New York State Canal System including the payment of liabilities prior to April 1, 2025" and $50 million for "services, expenses, and indirect

costs related to maintenance, repair, construction, reconstruction, development and preservation of the New York state Canal System."

Additionally, the 2025-2026 Enacted State Budget reappropriated to the Authority (i) unused funds from the 2024-2025 Enacted State Budget appropriation of $50 million for Canal Corporation projects, and reappropriated $2.5 million originally appropriated in the 2024-2025 Enacted State Budget; (ii) $368,000 remaining of the 2023-2025 Enacted State Budget appropriation for Canal Corporation projects; (iii) $8.6 million from a 2017 appropriation to the Empire State Trail, including along the Erie Canal; and (iv) $1.5 million from a 2024 appropriation for watershed modeling of the Oswego River Basin and the Mohawk River Basin to be performed by the Canal Corporation.

The 2025-2026 Enacted State Budget contains a Sustainable Future Program to be funded at $1 billion for all State departments and agencies for services and expenses of climate mitigation and adaption projects, and for purposes consistent with the general findings of the scoping plan prepared pursuant to Section 75-0103 of the Environmental Conservation Law. It provides for "not less than $200 million for renewable energy projects, including" renewable energy generating projects undertaken by NYPA pursuant to its renewables development authority. The Sustainable Future Program also appropriates "not less than $200 million for thermal energy network projects, including projects at public and state owned buildings, including the State University of New York and the City University of New York and up to $40 million for municipal thermal energy network projects funded with grants awarded directly to municipalities"; "not less than $250 million for zero emission transportation"; and "not less than $50 million for electric vehicle fast charging stations and supporting infrastructure for municipal, commercial, medium duty, heavy duty, and fleet vehicles" which may provide sources of funding for Authority programs or Authority services to other public entities. The Sustainable Future Program also provides a funding opportunity for "emissions reductions and energy efficiency projects at public and state-owned buildings." The Authority cannot predict whether and to what extent the Authority will receive funds from this program.

The 2025-2026 Enacted State Budget also contains a Public Facilities Sustainability Program to be funded at $50 million for "services and expenses of any state department, agency, public authority, or public benefit corporation associated with emissions reductions projects or climate change mitigation and adaptation, including but not limited to projects undertaken for compliance with executive order 22 directives." At this time, it is not clear whether and to what extent the Authority will receive funds from this program.

The New York State governor approved the "Renewable Action through Project Interconnection and Deployment ("RAPID") Act" on April 20, 2024, as part of the 2024-2025 Enacted State Budget. The purpose of the RAPID Act is to upgrade the State's bulk and local transmission systems to deliver renewable energy to consumers and achieve the renewable energy goals of the CLCPA. The RAPID Act consolidates the environmental review, permitting and siting of major renewable energy facilities and major electric transmission facilities under the purview of the Office of Renewable Energy Siting within the DPS. The RAPID Act will affect the process that the Authority and other developers must follow to apply for permits to site major renewable energy facilities and major electric transmission facilities but is not expected to have a material impact on the Authority's operations.

Other items of appropriation regarding NYPA and Canals are detailed in the section below on the New York State Budget.

New York State Budget

Chapter 56 of the Laws of 2024, part of the 2024-2025 Enacted State Budget, provided that notwithstanding any provision of law to the contrary, as deemed feasible and advisable by the Authority's Trustees, the Authority is authorized to transfer to the State Treasury to the credit of the general fund up to $20 million for the State fiscal year commencing April 1, 2024, to support energy related State activities. On March 25, 2025, the Authority's Trustees authorized the transfer of $5 million to the State Treasury.

Chapter 56 of the Laws of 2024, part of the 2024-2025 Enacted State Budget, also provided that notwithstanding any provision of law to the contrary, as deemed feasible and advisable by the Authority's Trustees, the Authority is authorized to transfer to the State Treasury to the credit of the general fund up to $25 million for the State fiscal year commencing April 1, 2024. These amounts will be utilized to support programs established or implemented by or within the New York State Department of Labor, 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 March 20, 2024, the Authority and the Department of Labor entered into a memorandum of understanding regarding programs for workforce training and retraining to prepare workers for employment in the renewable energy field. In 2024, the Authority's Trustees authorized the expenditure of $21 million for such programs.

Chapter 56 of the Laws of 2025, part of the 2025-2026 Enacted State Budget, provides that notwithstanding any provision of law to the contrary, as deemed feasible and advisable by the Authority's Trustees, the Authority is authorized to transfer to the State Treasury to the credit of the general fund up to $25 million for the State fiscal year commencing April 1, 2025. These amounts will be utilized to support programs established or implemented by the Authority or within the New York State Department of Labor, including but not limited to the Office of Just Energy Transition for workforce training and retraining to prepare workers for employment for work in the renewable energy field. In 2025, the Authority's Trustees authorized the expenditure of $20 million for such programs.

Chapter 56 of the Laws of 2025, part of the 2025-2026 Enacted State Budget, provides that notwithstanding any provision of law to the contrary, as deemed feasible and advisable by the Authority's Trustees, the Authority is authorized to transfer to the State Treasury to the credit of the general fund up to $10 million for the state fiscal year commencing April 1, 2025, to support energy related State activities.

The Authority cannot predict what additional contributions to the State may be authorized in the future.

Grants

Federal and state legislation have provided potential additional competitive sources of funding for NYPA and Canal Corporation capital programs. To access additional funding, each organization must apply for consideration to the relevant entity. Funding will only be pursued to offset the costs of approved capital projects that are aligned with the Authority's core mission, VISION2030 Renewed and/or the CLCPA.

NYPA had been awarded five grants totaling $54 million in DOE grants through the Infrastructure Investment and Jobs Act (IIJA). The OBBBA, enacted in July 2025, rescinded $44 million grant for the Propel project as stated in the "Propel New York Energy Project" section above. NYPA awaits DOE

outreach on the four Maintaining and Enhancing Hydroelectricity Incentives program grants that were awarded in 2024.

Further, refer to the section "New York State Budget" in the MD&A for details on the amount appropriated for Canals.

FEMA reimbursement for COVID

The Authority spent $33 million on pandemic-related expenses as of December 31, 2022. These expenses included critical employee sequestration, sanitization and cleaning supplies, facility protective measures, and equipment for a remote workforce. The Authority submitted $20 million in reimbursable costs to FEMA, of which $9 million was obligated by FEMA in 2023. As of December 31, 2025, the Authority received $5 million and $1 million as of December 31, 2024. FEMA ruled that $11 million of the $20 million reimbursable cost, related to sheltering NYPA employees in place, was deemed ineligible for reimbursement. An appeal to that decision was unsuccessful. The Authority received the remaining balance of $3 million in outstanding obligated funds in January 2026.

Effects of Regulations on the Authority

The Authority is subject to a variety of federal and state oversight bodies and/or regulatory regimes, including the U.S. Department of Energy, the Internal Revenue Service, FERC, EPA, the U.S. Army Corps of Engineers and various other agencies as well as the North American Electric Reliability Corporation. Changes to federal regulations, including through the issuance of executive orders, are continuous and ongoing. There can be no assurance that these regulations and policies, or the laws under which such regulations are promulgated, will not be changed in a manner that materially adversely affects the Authority's current business model and objectives by restricting or requiring certain activities or delaying the receipt of federal funds, including regulations promulgated under P.L. 119-21, known as the OBBBA which modify IRA tax credit provisions, subjecting the Authority to escalating costs, causing delays, or prohibiting certain activities completely.

Compliance with environmental laws and regulations can require the Authority to obtain and comply with a wide variety of environmental licenses, permits, inspections and other approvals and failure to comply with environmental regulations may result in the imposition of fines, penalties and injunctive measures affecting the Authority's operating assets. Also, the Authority may not be able to obtain or maintain from time to time the required environmental regulatory approvals for their operating assets or development projects. Delays in obtaining any required environmental regulatory approvals, failure to obtain and comply with them or changes in environmental laws or regulations to more stringent compliance levels could, and are likely to, result in additional costs of operation for existing facilities or development of new facilities being prevented, delayed or subject to additional costs. The costs to comply with environmental laws and regulations or changes to environmental laws and regulations could require significant expenditures having a material effect on the operations, financial position and cash flow of the Authority. The Authority cannot predict the potential impact, if any, of such changes in law or regulations on the Authority's future operations, financial position and cash flows.

Federal legislation affecting tax credits

On August 16, 2022, the Inflation Reduction Act of 2022 ("IRA") was signed into law to reduce U.S. carbon emissions and promote economic development through investments in clean and renewable energy projects. The IRA created and expanded various clean energy tax credits intended to incentivize energy efficiency, electric transportation and renewable energy generation.

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.

IRS requires prefiling registration for projects on which an entity expects to claim tax credits in its tax return. The Authority has completed prefiling registration for all its eligible projects placed in service in 2023 and 2024 and filed its tax return in November 2024 and 2025 respectively. 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.

Subsequent to the enactment of the IRA, the OBBBA, signed into law on July 4, 2025, introduced changes to certain federal energy related tax credits, particularly for solar projects, charging stations, and electric vehicles that may affect the availability or timing of credits applicable to the Authority. Under the OBBBA, solar projects placed in service after December 31, 2027, will not qualify for credits unless construction begins before July 4, 2026, with completion required by the end of 2030. In addition, the Qualified Commercial Clean Vehicle Credit ended for acquisitions after September 30, 2025, and the Alternative Fuel Vehicle Refueling Property Credit will terminate for facilities placed in service after June 30, 2026. Investment Tax Credit or Production Tax Credit for battery, hydropower and nuclear facilities are expected to remain available for projects beginning construction before 2033, followed by a phased reduction starting in 2034 and ending in 2035.

The Authority is evaluating applicability of these rules to its existing and planned projects and will continue to assess its plan to maximize the receipt of tax credits, as applicable.

Labor Contracts

NYPA has an agreement with the International Brotherhood of Electrical Workers on a labor contract that covers more than 550 represented employees at the Authority's Blenheim-Gilboa, Frederick R. Clark Energy Center, Niagara Power Project, and St. Lawrence-FDR Power Project. This agreement, which is retroactive to April 1, 2022, runs through July 31, 2027. In addition, NYPA has an agreement with the Utility Workers Union of America on a labor contract that covers more than 20 represented employees at Zeltmann. This agreement, which is retroactive to January 1, 2023, runs through April 30, 2028.

The Canal Corporation has an agreement with the Civil Service Employees Association Unit III on a labor contract that covers more than 350 represented employees. This agreement, which is retroactive to July 1, 2022, runs through June 30, 2027. In addition, the Canal Corporation has an agreement with the Public Employees Federation on a labor contract that covers over 80 represented employees. This agreement, which is retroactive to July 1, 2022, runs through June 30, 2027.

Commitments and Contingencies

The Authority's commitments and contingencies are more fully detailed in Note 19 "Commitments and Contingencies" of the notes to the Consolidated Financial Statements.

Canal Corporation

The Canal Transfer Legislation enacted on April 4, 2016, authorized, but does not require, the Authority, to the extent that the Authority's Trustees deem it feasible and advisable, to transfer money, property, and personnel to the Canal Corporation.

For the year ended December 31, 2025, the Canal Corporation recognized $2 million in operating revenues, $98 million in operations and maintenance expenses, and $44 million in depreciation expenses. For the year ended December 31, 2024, the Canal Corporation recognized $2 million in operating revenues, $95 million in operations and maintenance expenses, and $43 million in depreciation expenses.

The Canal Corporation continues to require substantial operating and maintenance support and capital investment. The Canal Corporation's expenses are funded by transfers of funds from the Authority; any transfer of funds is subject to approval by the Authority's Trustees and compliance with the Authority's General Bond Resolution. Certain expenses eligible for reimbursement are reimbursed to the Authority by funds held in the Canal Development Fund maintained by the State Comptroller and the Commissioner of Taxation and Finance.

By resolution adopted on December 9, 2025, the Canal Corporation's Board of Directors adopted a budget for 2026-2029 that consisted of expenditures for operations and maintenance expenses and capital expenses. The Authority's budget and financial plan for 2026-2029 includes Canal-related operating expenditures averaging approximately $111 million per year and capital expenditures of approximately $74 million per year to Revitalize the Canals (with a primary focus on maintaining and improving Canal infrastructure) and $3 million per year for Canal Development Fund expenses.

The 2024-2025 Enacted State Budget appropriated $50 million to the Authority for services, expenses, and indirect costs related to maintenance, repair, construction, reconstruction, development and preservation of the Canal System. Of the $50 million appropriated, $10 million was received in 2024 and has been accounted for in accordance with GAAP guidelines.

Contacting the Authority

This financial report is designed to provide our customers and other interested parties with a general overview of the Authority's finances. If you have any questions about this report or need additional financial information, contact the New York Power Authority, 123 Main Street, White Plains, New York 10601. Email: info@nypa.gov

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Consolidated Statements of Net Position
(In millions)

Consolidated Statements of Net Position

	December 31, 2025	December 31, 2024
Assets and Deferred Outflows		
Current assets:		
Cash and cash equivalents		
Unrestricted	$ 281	$ 274
Restricted	105	69
Capital Funds	37	82
Total Cash and cash equivalents	423	425
Investment in securities		
Unrestricted	773	946
Restricted	164	240
Capital Funds	304	453
Total Investment in securities	1,241	1,639
Receivables - customers	485	384
Materials and supplies:		
Plant and general	85	80
Fuel	42	51
Miscellaneous receivables and other	185	124
Total current assets	2,461	2,703
Noncurrent assets:		
Capital assets:		
Non-depreciable capital assets	1,483	1,362
Depreciable capital assets, net of accumulated depreciation	6,442	5,936
Total capital assets	7,925	7,298
Other long-term assets	1,048	1,099
Total noncurrent assets	8,973	8,397
Total assets	11,434	11,100
Deferred outflows of resources:		
Asset retirement obligation	26	17
Decrease in fair value of derivatives	41	20
Pensions	103	128
Postemployment benefits other than pensions	113	82
Total deferred outflows of resources	283	247
Total assets and deferred outflows of resources	$ 11,717	$ 11,347

See accompanying notes to the consolidated financial statements.

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Consolidated Statements of Net Position
(In millions)

	December 31, 2025	December 31, 2024
Liabilities, Deferred Inflows and Net Position		
Current liabilities:		
Accounts Payable and accrued liabilities	$ 1,095	$ 857
Short-term debt	256	438
Long-term debt due within one year	34	20
Total current liabilities	1,385	1,315
Noncurrent liabilities:		
Long-term debt:		
General Resolution:		
Senior Revenue bonds	1,799	1,805
Separate Revenue Bond Obligation:		
SFP Bonds 2022	591	617
SFP Bonds 2023	738	750
Total long-term debt	3,128	3,172
Other noncurrent liabilities:		
Disposal of spent nuclear fuel	269	258
Relicensing	218	223
Other long-term liabilities	422	357
Total other noncurrent liabilities	909	838
Total noncurrent liabilities	4,037	4,010
Total liabilities	5,422	5,325
Deferred inflows of resources:		
Unearned revenue	24	27
Cost of removal obligations	525	476
Pensions	5	66
Lease revenue	44	43
Postemployment benefits other than pensions and other	181	176
Total deferred inflows of resources	779	788
Net Position:		
Net investment in capital assets	3,957	3,463
Restricted	550	453
Unrestricted	1,009	1,318
Total net position	5,516	5,234
Total liabilities, deferred inflows of resources and net position	$ 11,717	$ 11,347

See accompanying notes to the consolidated financial statements.

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Consolidated Statements of Revenues, Expenses and Changes in Net Position
(In millions)

Consolidated Statements of Revenues, Expenses and Changes in Net Position

	Year Ended December 31, 2025	Year Ended December 31, 2024
Operating revenues:		
Power sales	$ 2,496	$ 2,060
Transmission	656	509
Transportation and delivery	903	810
Other	83	57
Total operating revenues	4,138	3,436
Operating expenses:		
Purchased power	962	678
Fuel oil and gas	277	214
Transportation and delivery	1,288	1,174
Operations and maintenance	908	771
Depreciation and amortization	368	353
Total operating expenses	3,803	3,190
Operating income	335	246
Nonoperating revenues, gains (losses) and (expenses):		
Investment income	104	72
Interest on long-term debt	(143)	(135)
Interest - other	(22)	(28)
Interest capitalized	66	52
Other	(58)	(48)
Total nonoperating expenses, net	(53)	(87)
Net income and change in net position	282	159
Net position, January 1	5,234	5,075
Net position, December 31	$ 5,516	$ 5,234

See accompanying notes to the consolidated financial statements.

NEW YORK POWER AUTHORITY

(*A Component Unit of the State of New York*)

Consolidated Statements of Cash Flows

(In millions)

Consolidated Statements of Cash Flows

	Year Ended December 31, 2025	Year Ended December 31, 2024
Cash flows from operating activities:		
Customer sales	$ 4,027	$ 3,227
Disbursements for:		
Purchased power	(957)	(685)
Fuel oil and gas	(260)	(200)
Transportation and delivery	(1,288)	(1,167)
Operations and maintenance	(838)	(763)
Net cash provided by operating activities	684	412
Cash flows from capital and related financing activities:		
Gross additions to capital assets	(872)	(676)
Proceeds from issuance of Green Bonds	-	513
Proceeds from issuance of commercial paper	25	-
Issuance costs paid on debt	-	(5)
Repayment/defeasance of bonds	-	(275)
Repayment of notes/bonds	(20)	(32)
Interest paid, net	(134)	(119)
Net cash (used in) capital and related financing activities	(1,001)	(594)
Cash flows from noncapital-related financing activities:		
Energy conservation program payments received from participants	498	255
Energy conservation program costs	(486)	(352)
Proceeds from issuance of commercial paper	-	273
Repayment of commercial paper	(207)	(62)
Interest paid on commercial paper	(11)	(13)
Margin Deposits with Brokers	1	16
Other	(4)	10
Net cash (used in) provided by noncapital-related financing activities	(209)	127
Cash flows from investing activities:		
Earnings received on investments	94	99
Purchase of investment securities	(1,887)	(2,347)
Maturities/sale of investment securities	2,317	2,248
Net cash provided by investing activities	524	-
Net (decrease) in cash	(2)	(55)
Cash and cash equivalents, January 1	425	480
Cash and cash equivalents, December 31	423	425
Reconciliation to net cash provided by operating activities:		
Operating income	335	246
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in assets, deferred outflows, liabilities, and deferred inflows:		
Provision for depreciation and amortization	368	353
Net increase in miscellaneous prepayments and other	(142)	(52)
Net increase in receivables and materials and supplies	(107)	(115)
Net increase/(decrease) in accounts payable/accrued liabilities and other	230	(20)
Net cash provided by operating activities	$ 684	$ 412

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Statements of Fiduciary Net Position (OPEB)

(In millions)

Statements of Fiduciary Net Position (OPEB)*

	June 30, 2025	June 30, 2024
Assets:		
Cash and cash equivalents	$ 43	$ 75
Receivables:		
Due from broker for investments sold	-	34
Investment income	1	1
Total receivables	1	35
Investments at fair value:		
Domestic equity	306	220
International equity	104	94
Global Index Fund	163	170
International contrarian value fund	77	60
Real Estate (REIT)	48	42
Fixed Income	126	157
Private equity	63	-
Total investments at fair value	887	743
Total assets	931	853
Liabilities:		
Payables:		
Accrued liability	7	17
Due to broker for investments purchased	1	6
Total liabilities	8	23
Net position available for postemployment benefits other than pensions	$ 923	$ 830

See accompanying notes (Note 13) to the consolidated financial statements.

*Measurement date for actuarial purposes

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Statements of Changes in Fiduciary Net Position (OPEB)

(In millions)

Statements of Changes in Fiduciary Net Position (OPEB)*

	June 30, 2025	June 30, 2024
Additions, gains and (losses):		
Employer contributions	$ 29	$ 30
Investment income:		
Net increase in fair value of investments	86	74
Interest and dividend income	14	13
Less: investment and administrative expenses	(7)	(4)
Net investment gains	93	83
Total additions and gains	122	113
Deductions:		
Benefits payments	29	30
Total deductions	29	30
Changes in net position	93	83
Net position available for postemployment benefits other than pensions - beginning of year July of preceeding year	830	747
Net position available for postemployment benefits other than pensions - end of year June of reporting year	$ 923	$ 830

See accompanying notes (Note 13) to the consolidated financial statements.

*Measurement date for actuarial purposes

Notes to the Consolidated Financial Statements

(1) General

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 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"), and has its principal office located at 30 South Pearl Street, Albany, New York 12207-3425. NYPA has three subsidiaries: the New York State Canal Corporation ("Canal Corporation"), NY Captive Insurance Company ("Captive") and New York Renewable Energy Development Holdings Corporation ("NYREDHC"). NYPA, the Canal Corporation, Captive and NYREDHC are collectively referred to as the "Authority". Except as otherwise noted, references to NYPA's financial information reflect NYPA and the Canal Corporation's financial information. The financial information for Captive and NYREDHC is stated separately.

NYPA's mission is to lead the transition to a carbon-free, economically vibrant New York through customer partnerships, innovative energy solutions, and responsible supply of affordable, clean, and reliable electricity.

NYPA generates, transmits, purchases, and sells electric power and energy as authorized by law. NYPA owns and operates five major generating facilities, seven small natural gas power plants ("SNGPPs"), including four dual units, and four small hydropower 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 system.

NYPA's five major generating facilities consist of two large hydropower facilities (Niagara and St. Lawrence-FDR), a large pumped-storage hydropower facility (Blenheim-Gilboa), the Eugene W. Zeltmann (Zeltmann or 500-MW Plant) combined cycle electric generating plant in Queens and the Richard M. Flynn combined cycle plant in Holtsville.

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, various public corporations in the metropolitan area of the City of New York (the "City"), including the City, and entities in certain neighboring states.

NYPA is a transmission-owning member of the New York Independent System Operator, Inc. ("NYISO"), a not-for-profit corporation that operates the State's bulk electricity grid, administers the State's wholesale electricity markets and provides comprehensive reliability planning for the State's bulk electricity system. In addition, NYPA sells and purchases capacity, energy, and ancillary services in the NYISO wholesale energy markets.

Effective January 1, 2017, the Canal Corporation became a subsidiary of NYPA. The Canal Corporation is responsible for a 524-mile canal system consisting of the Erie, Champlain, Oswego, and Cayuga-Seneca canals (the "Canal System") and jurisdiction over the Canal System and related assets, equipment and property in connection with the planning, development, construction, reconstruction, maintenance, and operation of the Canal System, which NYPA is authorized to exercise through the Canal Corporation.

Legislation enacted in May 2022 (Chapter 193 of the Laws of 2022) amended the State Insurance Law to provide NYPA with the authority to form a pure captive insurance company enabling it to effectively provide NYPA and its subsidiaries 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 NYPA with related tax exemptions. In May 2023, Captive was established as a wholly owned subsidiary of NYPA. Refer to Note 17 for further information on Captive.

The 2023-2024 Enacted State Budget amended the Act to, among other things, expand NYPA's authority to plan, design, develop, finance, construct, own, operate, maintain, and improve renewable energy generation projects ("renewable development authority"). NYPA was authorized to exercise and perform its renewable development 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 December 31, 2024, NYPA transferred $100 million to NYREDHC to undertake the purposes of its renewable development authority. On February 28, 2025, NYREDHC acquired full ownership of Somers Solar, LLC ("Somers Solar"), a Delaware limited liability company. Somers Solar was formed to develop, own, and operate a solar-powered electricity generation project of up to 20 MW at a site in Fort Edward, New York.

(2) NYPA (includes Canals), SFP, Captive and NYREDHC Financial Information

(a) Statements of Net Position (In millions)

	NYPA		SFP		Captive		NYREDHC		Total	
	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24
Current assets	$2,030	$2,307	$ 161	$ 174	$ 145	$ 122	$ 125	$ 100	$ 2,461	$ 2,703
Capital assets	6,315	5,787	1,599	1,511	-	-	11	-	7,925	7,298
Other noncurrent assets	1,020	1,064	23	35	-	-	5	-	1,048	1,099
Total assets	9,365	9,158	1,783	1,720	145	122	141	100	11,434	11,100
Deferred outflows of resources	283	247	-	-	-	-	-	-	283	247
Total assets and deferred outflows of resources	$9,648	$9,405	$1,783	$1,720	$ 145	$ 122	$ 141	$ 100	$11,717	$11,347
Current liabilities	$1,304	$1,279	$ 42	$ 31	$ 7	$ 5	$ 32	$ -	1,385	1,315
Noncurrent liabilities	2,702	2,643	1,330	1,367	-	-	5	-	4,037	4,010
Total liabilities	4,006	3,922	1,372	1,398	7	5	37	-	5,422	5,325
Deferred inflows of resources	779	788	-	-	-	-	-	-	779	788
Net position	4,863	4,695	411	322	138	117	104	100	5,516	5,234
Total liabilities, deferred inflows of resources and net position	$9,648	$9,405	$1,783	$1,720	$ 145	$ 122	$ 141	$ 100	$11,717	$11,347

(b) Statements of Revenues, Expenses and Changes in Net Position (In millions)

	NYPA		SFP		Captive		NYREDHC		Total	
	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24
Operating revenues	$ 3,911	$ 3,237	$ 214	$ 192	$ 13	$ 7	$ -	$ -	$ 4,138	$ 3,436
Operating expenses:										
Purchased power	962	678	-	-	-	-	-	-	962	678
Fuel oil and gas	277	214	-	-	-	-	-	-	277	214
Transportation and delivery	1,288	1,174	-	-	-	-	-	-	1,288	1,174
Operations and maintenance	857	744	49	27	-	-	2	-	908	771
Depreciation and amortization	345	339	23	14	-	-	-	-	368	353
Total operating expenses	3,729	3,149	72	41	-	-	2	-	3,803	3,190
Operating income (loss)	182	88	142	151	13	7	(2)	-	335	246
Nonoperating revenues gains	82	64	7	17	9	4	6	-	104	85
Nonoperating expenses	97	111	60	61	-	-	-	-	157	172
Net income	$ 167	$ 41	$ 89	$ 107	$ 22	$ 11	$ 4	$ -	$ 282	$ 159

(c) Statements of Cash Flow (In millions)

	NYPA		SFP		Captive		NYREDHC		Total	
	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24
Net cash provided by operating activities	$ 513	$ 279	$ 170	$ 122	$ 1	$ 11	$ -	$ -	$ 684	$ 412
Net cash provided by/(used in) capital and related financing activities	(794)	(149)	(222)	(449)	-	-	15	4	(1,001)	(594)
Net cash (used in)/provided by non-capital related activities	(209)	127	-	-	-	-	-	-	(209)	127
Net cash provided by/(used in) investing activities	394	(212)	97	244	(7)	(32)	40	-	524	-
Net increase/(decrease) in cash	(96)	45	45	(83)	(6)	(21)	55	4	(2)	(55)
Cash and cash equivalents, January 1	360	315	51	134	10	31	4	-	425	480
Cash and cash equivalents, December 31	$ 264	$ 360	$ 96	$ 51	$ 4	$ 10	$ 59	$ 4	$ 423	$ 425

(3) Separately Financed Projects ("SFP")

Overview

NYPA's General Resolution Authorizing Revenue Obligations, dated February 28, 1998, as amended and supplemented, (the "General Bond Resolution") provides for authorization to the Authority to issue separately financed project bonds through a separate bond resolution.

On December 7, 2021, NYPA adopted its "General Resolution Authorizing Transmission Project Revenue Obligations" (as amended and supplemented, the "Transmission Bond Resolution"). The Transmission Bond Resolution authorizes the issuance of Obligations to finance the costs of certain projects, facilities, systems, equipment, and/or materials related to or necessary or desirable in connection with the transmission or distribution of energy, whether owned or leased jointly or singly by NYPA, including any transmission capacity in which NYPA has an interest or which it has a contractual right to use, as authorized by the Act or by other applicable state statutory provisions which have been designated by NYPA pursuant to a supplemental resolution as a Separately Financed Project under the General Bond Resolution and a transmission project for purposes of the Transmission Bond Resolution.

In January 2022, the Authority's Trustees authorized the issuance of Green Transmission Project Revenue Bonds, Series 2022A (the "2022A Bonds") which were issued pursuant to the Transmission Bond Resolution in an aggregate principal amount of approximately $608 million during April 2022. The proceeds from the issuance of the 2022A Bonds were used to fund capital and other expenditures related to the Smart Path and Central East Energy Connect ("CEEC") transmission construction projects; reimburse expenses related to such projects and pay financing and other costs relating to the issuance of the 2022A Bonds.

On November 16, 2023, NYPA issued $734 million of Green Transmission Project Revenue Bonds, Series 2023A (the "2023A Bonds") at a premium. Proceeds of the 2023A Bonds, together with other funds being provided by NYPA, are being used to (i) pay for capital expenditures related to the Smart Path Connect Project ("SPC Project"), including reimbursement for prior capital spending, (ii) fund the 2023A debt service reserve fund, (iii) pay capitalized interest on the 2023A Bonds through November 15, 2025, (iv) fund an operating reserve account and (v) pay the costs of issuance. The CEEC, Smart Path, and Smart Path Connect projects are collectively referred to as "Separately Financed Projects" or "SFP".

(4) Significant Accounting Matters

(a) Basis of Reporting

The operations of NYPA and its subsidiaries, the Canal Corporation, the Captive, and NYREDHC, all blended component units, are presented as an enterprise fund following the accrual basis of accounting to recognize the flow of economic resources. Accordingly, revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which they are incurred. The accounts and transactions of the Canal Corporation, the Captive and NYREDHC

are included in the consolidated financial statements and notes to the Consolidated Financial Statements. All significant transactions between NYPA, the Canal Corporation, the Captive and NYREDHC have been eliminated. NYREDHC's financial statement, as included in the consolidated financial statements, and corresponding footnotes, incorporates the financials of Somers Solar.

The Authority complies with applicable pronouncements of the Governmental Accounting Standards Board ("GASB"). In accordance with Governmental Accounting Standards Board Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB, and AICPA Pronouncements*, ("GASB No. 62") the Authority applies all authoritative pronouncements applicable to nongovernmental entities (i.e., Accounting Standards Codification ("ASC") of the Financial Accounting Standards Board) that do not conflict with GASB pronouncements.

(b) Regulatory Accounting

The Authority's Trustees have broad rate-setting authority for its power sales agreements with customers. The sale of transmission service over NYPA's facilities is provided pursuant to NYISO tariffs and under contracts that pre-dated the existence of the NYISO. NYPA files its transmission system revenue requirement with the Federal Energy Regulatory Commission ("FERC") for inclusion in the NYISO's open access tariff.

The Authority accounts for its regulated operations under the provisions of GASB No. 62. These provisions recognize the economic ability of regulators, through the ratemaking process, to create future economic benefits and obligations affecting rate-regulated entities. Accordingly, the Authority records these future economic benefits and obligations as regulatory assets and regulatory liabilities, respectively. Regulatory assets represent probable future revenues associated with previously incurred costs that are expected to be recovered from customers. Regulatory liabilities represent amounts that are collected from customers through the ratemaking process associated with costs to be incurred in future periods. Based on the action of the Authority's Trustees, the Authority believes the future collection of the costs held over through regulatory assets is probable. For regulatory assets see Note 4(n) "Significant Accounting Matters – Other Long-Term Assets" of the notes to the consolidated financial statements.

(c) Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(d) Capital Assets

Capital assets are recorded at original cost and consist of amounts expended for labor, materials, services, and indirect costs to license, construct, acquire, complete, and place in operation the projects of the Authority. Interest on amounts borrowed to finance construction of the Authority's projects charged to the project prior to completion is recorded as a regulatory asset. The costs of current repairs are charged to operating expenses, and betterments are capitalized. The cost of capital assets retired less salvage is charged to accumulated depreciation. Depreciation of capital assets is generally provided on a straight-line basis over the estimated lives of the various classes of capital assets.

The related depreciation provisions at December 31, 2025, and 2024 expressed as a percentage of average depreciable capital assets on an annual basis are:

	Average depreciation rate	
	2025	2024
Type of plant:		
Production		
Hydro	2.3 %	2.3 %
Gas turbine/combined cycle	2.3	2.2
Transmission	2.3	2.3
General	5.6	5.5
Energy Storage	10.0	10.0
Canal system	4.0	3.9

(e) Asset Retirement and Cost of Removal Obligations

The Authority has recorded a liability at fair value to recognize legal obligations for asset retirements in the period incurred and to capitalize the cost by increasing the carrying amount of the related long-lived asset. The Authority determined that it had legal liabilities for the retirement of certain SNGPPs in New York City and, accordingly, has recorded a liability for the retirement of these assets. In connection with these legal obligations, the Authority has also recognized a liability for the remediation of certain contaminated soil discovered during the construction process. The Authority records asset retirement obligations ("ARO") in accordance with GASB Statement No. 83 ("GASB No. 83"), *Accounting for Certain Asset Retirement Obligations*.

The Authority also applies GASB Statement No. 49 ("GASB No. 49") *Accounting and Financial Reporting for Pollution Remediation Obligations*, to AROs involving pollution remediation obligations, which upon the occurrence of any one of five obligating events as stated in GASB No. 49, requires an entity to estimate the components of expected pollution remediation outlays and determine whether outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired.

ARO amounts included in deferred outflows and cost of removal obligation amounts included in deferred inflows are as follows:

	ARO Amounts (deferred outflow)		Cost of removal obligation (deferred inflow)
		(in millions)	
Balance - December 31, 2024	$ 17		$ 476
Other Expense	9		49
Balance - December 31, 2025	$ 26		$ 525

(f) Long-Lived Assets

The Authority applies GASB Statement No. 42 ("GASB No. 42"), *Accounting and Financial Reporting for Impairment of Capital Assets*, and for Insurance Recoveries, which states that asset impairments are generally recognized only when the service utility of an asset is reduced or physically impaired. NYPA evaluated and accounted for the impairment of general assets in 2025. There were no material impairments during 2024.

GASB No. 42 states that asset impairment is a significant, unexpected decline in the service utility of a capital asset. The service utility of a capital asset is the usable capacity that at acquisition was expected to be used to provide service, as distinguished from the level of utilization which is the portion of the usable capacity currently being used. Decreases in utilization and the existence of or increases in surplus capacity that are not associated with a decline in service utility are not considered to be impairments.

(g) Leases

The Authority applies GASB Statement No. 87 ("GASB No. 87"), *Leases,* which establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Refer to Note 19(c) on Leases.

(h) Subscription-based information Technology Arrangements ("SBITA")

The Authority adopted GASB Statement No. 96 ("GASB No. 96"), *Subscription-Based Information Technology Arrangements ("SBITA")* which requires recognition of certain subscription assets and liabilities for SBITA which were previously either capitalized or expensed. It establishes that an SBITA results in a right-to-use subscription asset and a corresponding subscription liability. Refer to Note 19(d) on SBITA.

(i) Cash, Cash Equivalents, and Investments

Cash includes cash and cash equivalents and short-term investments with maturities, when purchased, of three months or less. The Authority accounts for investments at their fair value. Fair value is determined using quoted market prices. Investment income includes changes in the fair value of these investments. Realized and unrealized gains and losses on investments are recognized as investment income in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

(j) Derivative Instruments

The Authority uses financial derivative instruments to manage the impact of energy and capacity prices, fuel cost changes, non-energy commodities, and interest rates when applicable, on its earnings and cash flows. The Authority recognizes the fair value of all financial derivative instruments as either an asset or liability on its consolidated statement of net position with the offsetting gains or losses recognized in earnings or deferred charges. The Authority applies GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which establishes accounting and reporting requirements for derivative instruments (see Note 10 "Risk Management and Commodity Hedging Activities" of the Notes to the Consolidated Financial Statements).

(k) Accounts Receivable

Accounts receivables are classified as current assets and are reported net of an allowance for uncollectible amounts.

(l) Materials and Supply Inventory

Material and supplies, net of any obsolete/slow-moving inventory provisions, are valued at weighted average cost and are charged to expense during the period in which the material or supplies are used.

(m) Debt Refinancing Charges

Debt refinancing charges, representing the difference between the reacquisition price and the net carrying value of the debt refinanced, are amortized using the interest method over the life of the new debt or the old debt, whichever is shorter, in accordance with GASB Statement No. 23, *Accounting and Financial Reporting for Refunding's of Debt Reported by Proprietary Activities.*

See Note 8 “Long-Term and Short-Term Debt” of the notes to the consolidated financial statements.

(n) Other Long-Term Assets

Other long-term assets, as of December 31, 2025, and 2024, consist of the following:

	December 31,	
	2025	2024
	(in millions)	
Other long-term assets:		
Regulatory assets (a):		
Allowance for funds used during construction (b)	$255	$193
Other regulatory assets	41	43
Total regulatory assets	296	236
Energy efficiency program costs (c)	276	284
Other long-term receivables	83	111
Transmission line interconnection costs	132	149
Other postemployment employee benefits	200	213
Lease receivable	51	50
Other	10	56
Total other long-term assets	$1,048	$1,099

i. Regulatory assets reflect previously incurred costs that are expected to be recovered from customers through the ratemaking process.

ii. This amount includes interest capitalized net of depreciation. For 2025, $66 million of interest was capitalized, and for 2024, $52 million of interest was capitalized.

iii. The Authority offers energy efficiency services to New York State public and other statutorily eligible entities to reduce energy consumption and cut energy costs. Energy efficiency program costs will be recovered from certain customers through the terms of contracts.

(o) Other Long-Term Liabilities

On December 31, 2025, the Authority has other long-term liabilities of $422 million which include pension liability of $143 million, compensated absences accrual of $81 million, Asset Retirement Obligations of $63 million, and others of $135 million.

On December 31, 2024, the Authority has other long-term liabilities of $357 million which include pension liability of $120 million, compensated absences accrual of $81 million, Asset Retirement Obligations of $46 million, and others of $110 million.

(p) Net Position

Net Position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources and is classified into three components:

i. Net investment in capital assets – This consists of capital assets (including right to use lease assets and right to use subscription assets), net of depreciation reduced by related outstanding debt and accounts. This indicates that these assets are not accessible for other purposes.

ii. Restricted – This represents restricted assets reduced by related liabilities and deferred inflows of resources that are not accessible for general use because their use is subject to restrictions enforceable by third parties.

iii. Unrestricted – This represents the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the components noted above and that are available for general use.

(q) Operating Revenues

The customers served by NYPA, and the rates paid by such customers vary with NYPA's facilities designated to serve such loads. These customers are served under contracts and tariffs approved by the Authority's Trustees.

Principal operating revenues are generated from the sale, transmission, transportation and delivery of power. Revenues are recorded when power is delivered, or service is provided. Customers' meters are read, and bills are rendered monthly. Transportation and delivery of power charges are for costs the Authority incurred for the transmission and/or delivery of power and energy to customers over transmission lines owned by other utilities. No one customer represents more than 10% of revenue from NYPA owned generation revenue.

In addition to contractual sales to customers, NYPA also sells power into an electricity market operated by NYISO. These sales are affected by market prices and are not subject to rate regulation by the Authority's Trustees.

New York Independent System Operator ("NYISO")

NYPA is a member and a customer of the NYISO. NYISO schedules the use of the bulk transmission system in the State, which normally includes all of NYPA's transmission facilities, and collects ancillary services, losses, and congestion fees from customers. In addition, NYPA schedules power from its generating facilities in conjunction with the NYISO. NYISO coordinates the reliable dispatch of power and operates a market for the sale of electricity and ancillary services within the State.

Based upon NYPA's scheduled customer power needs and available electricity generated by NYPA's operating assets, the Authority buys and sells energy in an electricity market operated by NYISO. A significant amount of NYPA's energy and capacity revenues result from sales of NYPA's generation into the NYISO market. A significant amount of NYPA's operating expenses consists of various NYISO purchased power charges in combination with generation-related fuel expenses.

(r) Operating Expenses

The Authority's operating expenses include fuel, operations, and maintenance including wages and benefits, depreciation, purchased power costs, and other expenses related to the sale of power. Energy costs are charged to expenses as incurred.

Purchased power costs include capacity, energy, and ancillary service purchases made in the wholesale market on behalf of its customers (except for those made through previously approved purchased power agreements). Transportation and delivery expenses are based on contractual and/or tariff rates of the service provider and are recovered through pass-through provisions in customer contracts.

Right-to-use lease assets and leasehold improvements recognized on account of the implementation of GASB No. 87 are being amortized over the lesser of the life of the assets or the term of the lease, using the straight-line method.

Right-to-use subscription assets recognized on account of the implementation of GASB No. 96 are being amortized over the subscription term, using the straight-line method.

(s) Pension Plans

The Authority is a cost-sharing employer that participates in the New York State and Local Employees Retirement System ("NYSLERS"), which is a cost-sharing multiple-employer plan in which the participating government employers pool their assets and their obligations to provide defined benefit pensions. The plan assets of this type of plan can be used to pay the pensions of the retirees of any participating employer. The amounts reported by the Authority for its proportionate share of the net pension liability, pension expense, and deferred outflows and deferred inflows have been provided by the New York State and Local Employees Retirement System to employers participating in the NYSLERS in accordance with Statement No. 68, *Accounting and Financial Reporting for Pensions*, and have been determined on the same basis as reported by the NYSLERS. See Note 12 "Pension Plans" of the notes to the consolidated financial statements.

(t) Postemployment Benefits Other Than Pensions (OPEB)

NYPA provides certain health care and life insurance benefits for eligible retired employees and their dependents under a single employer noncontributory (except for certain optional life insurance coverage) health care plan (Authority OPEB Plan). NYPA has an established trust for its OPEB obligations (OPEB Trust) that is separate from NYPA and is held by an independent custodian for the exclusive benefit of the OPEB Trust beneficiaries and not of NYPA. The ownership of the OPEB Trust assets is held by the independent custodian at all times and the OPEB Trust assets are not considered funds or assets of NYPA for any purpose. All the OPEB Trust assets are irrevocably dedicated to and are used for the exclusive purpose of making payments of benefits to or for the benefit of NYPA OPEB Plan beneficiaries and for paying administrative expenses of NYPA OPEB Plan and the OPEB Trust and will not be available to any creditors of NYPA. The OPEB Trust does not issue a stand-alone financial report, and its financial statements are reported as a fiduciary fund in the Authority's financial report.

The Canal Corporation provides health care and death benefits for eligible retired employees. Substantially all employees may become eligible for these benefits if they reach normal retirement age while working for the Canal Corporation. The Canal Corporation participates, pursuant to the provision of Section 163(4) of the New York State Civil Service Law, in the New York State Health Insurance Program ("NYSHIP"). NYSHIP does not issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the plan.

The Authority's net OPEB asset was measured as of June 30, 2025, and June 30, 2024, for the 2025 and 2024 financial statements, respectively. Actuarial valuations are performed every two years. For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the OPEB Trust and additions to/deductions from OPEB Trust's fiduciary net position have been determined on the same basis as they are reported by the Authority OPEB Plan as of the same measurement date. For this purpose, the Authority OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except investments that have maturity at the time of purchase of one year or less, which are reported at cost.

(u) Accounting Pronouncements

GASB issued GASB Statement No. 102 ("GASB No. 102"), *Certain Risk Disclosures*, which is effective for reporting periods beginning after June 15, 2024. The objective of this Statement is to ensure that users of government financial statements are informed about risks related to concentrations and constraints that could adversely affect the level of services provided or the ability to meet financial obligations. This objective is achieved by introducing new financial

reporting requirements to improve transparency around risks arising from significant concentrations and constraints. As a public Authority, the Authority operates in accordance with applicable legislation and regulations. The Authority evaluated the requirements of GASB No. 102 and determined that no additional disclosures are required beyond those presented in these consolidated financial statements. Accordingly, GASB No. 102 has no material impact on its consolidated financial statements.

GASB issued GASB Statement No. 103 ("GASB No. 103"), *Financial Reporting Model Improvements*, which is effective for reporting periods beginning after June 15, 2025. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement refines the financial reporting model for state and local governments established by GASB Statement No. 34 by amending the reporting requirements primarily related to management's discussion and analysis (MD&A), unusual or infrequent items, presentation of the statement of revenues, expenses, and changes in fund net position and information about major component units in basic financial statements. The Authority will adopt and appropriately reflect the reporting requirements of GASB No. 103 in its consolidated financial statements for year ending December 31, 2026, and onwards.

In September 2024, GASB issued GASB Statement No. 104 ("GASB No. 104"), *Disclosure of Certain Capital Assets*, which is effective for reporting periods beginning after June 15, 2025. The objective of this Statement is to enhance the usefulness and transparency of information related to specific categories of capital assets by requiring more detailed disclosures. GASB No. 104 requires separate disclosures of capital assets associated with leases and other intangible assets and capital assets classified as held for sale. These enhanced disclosures are intended to provide financial statement users with clearer insight into the nature, use, and disposition plans of these asset categories. The Authority will adopt and appropriately reflect the reporting requirements of GASB No. 104 in its consolidated financial statements for the year ending December 31, 2026, and thereafter.

GASB Statement No. 105 ("GASB No. 105"), *Subsequent Events*, was issued in December 2025 and is effective for reporting periods beginning after June 15, 2026. The objective of this Statement is to improve the financial reporting requirements for subsequent events. GASB No. 105 defines subsequent events as transactions or other events that occur after the date of the financial statement but before the date the financial statements are available to be issued. The Authority will adopt and appropriately reflect the reporting requirements of GASB No. 105 in its consolidated financial statements for the year ending December 31, 2027, and onwards.

(5) NYPA's Bond Resolutions and Related Matters

On February 24, 1998, NYPA adopted its "General Resolution Authorizing Revenue Obligations" (as amended and supplemented, the "General Bond Resolution"). The General Bond Resolution covers all of NYPA's projects, which it defines as any project, facility, system, equipment or material related to or necessary or desirable in connection with the generation, production, transportation, transmission, distribution, delivery, storage, conservation, purchase or use of energy or fuel, whether owned jointly or singly by NYPA, including any output in which NYPA has an interest authorized by the Act or by other applicable State statutory provisions, provided, however, that the term "Project" shall not include any Separately Financed Project as that term is defined in the General Bond Resolution.

NYPA has covenanted with bondholders under the General Bond Resolution that at all times NYPA shall maintain rates, fees, or charges, and any contracts entered into by NYPA for the sale, transmission, or distribution of power shall contain rates, fees or charges sufficient together with other monies available therefore (including the anticipated receipt of proceeds of sale of Obligations, as defined in the General Bond Resolution, issued under the General Bond Resolution or other bonds, notes or other obligations or evidences of indebtedness of NYPA that will be used to pay the principal of Obligations issued under the General Bond

Resolution in anticipation of such receipt, but not including any anticipated or actual proceeds from the sale of any Project), to meet the financial requirements of the General Bond Resolution.

The General Bond Resolution also provides for withdrawal for any lawful corporate purpose as determined by NYPA, including but not limited to the retirement of Obligations issued under the General Bond Resolution, from amounts in the Operating Fund in excess of the operating expenses, debt service on Obligations and Parity Debt issued under the General Bond Resolution, and subordinated debt service requirements.

Collateral **-** Under NYPA's General Bond Resolution, a Trust Estate was created and pledged for the payment of the principal and redemption price of, and interest on, NYPA's Obligations issued under the General Bond Resolution, and, on a parity basis, other Parity Debt as defined in the General Bond Resolution. NYPA's subordinated debt, including the Commercial Paper Notes, loans issued under the 2019 Revolving Credit Agreement and 2020 Hybrid Credit Agreement described below, the Extendible Municipal Commercial Paper Notes, are not Obligations under the General Bond Resolution but share a subordinated lien in the Trust Estate. The Trust Estate means, collectively: (i) all Revenues (as defined in the General Bond Resolution, which excludes revenues from Separately Financed Projects) of NYPA; (ii) the proceeds of the sale of Obligations until expended for the purposes authorized in the supplemental resolution authorizing the issuance of such Obligations; (iii) all funds, accounts, and subaccounts established by the General Bond Resolution, including investment earnings thereon; and (iv) all funds, money, and securities and any and all other rights and interests in property, whether tangible or intangible, conveyed as and for additional security pursuant to the General Bond Resolution by NYPA, or by anyone on its behalf, or with its written consent, to the Trustee.

Events of Default/Termination **-** Pursuant to the General Bond Resolution, upon an Event of Default so long as such Event of Default shall not have been remedied, either the Trustee or the owners of 25% in principal amount of the Obligations then outstanding may declare the principal and accrued interest on all Obligations due and payable immediately.

Under the 2019 Revolving Credit Agreement ("2019 RCA") supporting NYPA's Commercial Paper Series 1, Series 2 and Series 3A, in the case of an Event of Default (as defined in the 2019 RCA), the lenders holding 66 2/3% of the commitments thereunder will be able to: terminate their commitments; direct NYPA to cease issuing Commercial Paper Notes; and declare the principal and accrued interest on obligations under the 2019 RCA due and immediately payable.

Under the 2020 Revolving Credit Agreement and 2020 Note Purchase Agreement (together, the "2020 Hybrid Credit Agreement") supporting NYPA's Commercial Paper Notes Series 3B and 4 and/or Direct Purchase Note(s), in the case of an Event of Default (as defined in the 2020 Hybrid Credit Agreement), the sole lender under the 2020 Hybrid Credit Agreement holding 100% of the commitment thereunder will be able to: terminate its commitment; direct NYPA to cease issuing Commercial Paper Notes; and declare the principal and accrued interest on obligations under the 2020 Hybrid Credit Agreement due and immediately payable. There were no events of default during 2025 and 2024.

Transmission Bond Resolution Related Matters (SFP)

Collateral - Under NYPA's Transmission Bond Resolution, a Trust Estate was created and pledged for the payment of the principal and redemption price of, and interest on, the SFP Obligations issued under the Transmission Bond Resolution, and on a parity basis, other Parity Debt as defined in the Transmission Bond Resolution. The Trust Estate means, collectively: (i) all SFP Transmission Revenues; (ii) the proceeds of the sale of SFP Transmission Obligations until expended for the purposes authorized by Supplemental Resolution authorizing such SFP Transmission Obligations; (iii) all funds, accounts, and subaccounts established by the Resolution, including investment earnings thereon; and (iv) all funds, money, and securities and any and all other rights and interests in property, whether tangible or intangible, from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned, or transferred

as and for additional security hereunder for the SFP Transmission Obligations by NYPA, or by anyone on its behalf, or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times, and to hold and apply the same subject to the terms hereof.

(6) Cash and Investments

Investment of the Authority's funds is administered in accordance with the applicable provisions of the General Bond Resolution and the Authority's investment guidelines. These guidelines comply with the New York State Comptroller's investment guidelines for public authorities and were adopted pursuant to Section 2925 of the New York Public Authorities Law.

Investment of the Authority's Separately Financed Project ("SFP") and Captive funds is administered in accordance with the applicable provisions of the Transmission Bond Resolution and the Captive Insurance Investment Policy Statement, respectively.

Investment of NYREDHC and its 100% wholly owned subsidiary Somers Solar LLC is administered in accordance with the applicable provisions of NYREDHC's Guidelines for the Investment of Funds.

(a) Investment Credit Risk

The Authority's investments under the General Bond Resolution and Guidelines for the Investment of Funds are restricted to (a) authorized collateralized certificates of deposit, Certificate of Deposit Account Registry Service ("CDARS", 100% FDIC insured) program or similar FDIC-insured, reciprocal products, time deposits and money market funds (money market funds shall not exceed 40% of the Authority's invested funds and no more than $50 million invested in any one fund), (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 any agency controlled by or supervised by and acting as an instrumentality of the United States government, and (d) obligations of any state or any political subdivision thereof or any agency, instrumentality or local government unit of any such state or political subdivision which is 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 of treasury or agency-backed collateral with a physical trust certificate from a FINRA-licensed broker dealer, and (f) Guaranteed Investment Contracts or GIC Funds issued by creditworthy insurance companies and collateralized by issuer's general or separate account assets, with no more than $50 million invested in any one contract or fund. The Authority's investments in senior debt securities of the Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB) Federal Agricultural Mortgage Corporation (FAMC) and Federal Home Loan Mortgage Corporation (FHLMC) were rated Aa1 by Moody's Investors Services (Moody's), AA+ by Fitch Ratings (Fitch) and AA+ by Standard & Poor's (S&P).

Permitted investments under Transmission Bond Resolution are similar to those investment types stated for the Authority.

Permitted investments for Captive under the NYPA Captive Insurance Investment Policy Statement are similar to those types stated for the Authority with the additional inclusion of Collateralized Loan Obligations ("CLOS") with a rating of AA or higher; Corporate equity investments in domestic common and preferred stocks and publicly traded REIT funds; and Mortgage-backed securities and Collateralized Mortgage Obligations with a rating of AA or higher.

Permitted investments for the NYREDHC are identical to those investment types stated for the Authority.

Investments are reported in the consolidated statements of net position at fair value, using quoted market prices. Realized and unrealized gains and losses on investments are recorded as investment income in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

(b) Interest Rate Risk

Securities involved in repurchase or reverse repurchase agreements must maintain a market value at or above the investment cost. These agreements are restricted to a maximum fixed term of 30 days and are capped at $250 million overall, with a limit of $50 million per individual dealer or bank. Funds will not be invested for durations exceeding the anticipated need for those funds. As of December 31, 2025, the Authority has invested $22 million in repurchase agreements. As of December 31, 2024, the Authority had $60 million invested in the repurchase agreements.

Provisions applicable to the Authority apply to SFP, Captive and NYREDHC for interest rate risk coverage.

(c) Concentration of Investment Credit Risk

On December 31, 2025, according to the Authority's governing rules, there is no limit on the amount that the Authority may invest in any one issuer; however, investments in authorized certificates of deposit shall not exceed 40% of the Authority's invested funds and shall not exceed $50 million from any one bank. On December 31, 2025, the Authority's (excluding SFP, Captive and NYREDHC,) total investment portfolio of $1,029 million, excluding cash and cash equivalents, includes investments of $476 million (46%), $342 million (33%), $137 million (14%), $22 million (2%), and $52 million (5%) in government Agency securities, U.S. Treasuries, Guaranteed Investment Contracts, Gestation Repurchase Agreements and other various deposits, and Municipal securities, respectively. 80% of the total investments are in securities guaranteed by the U.S. government. On December 31, 2024, according to the Authority's governing rules, there is no limit on the amount that the Authority may invest in any one issuer; however, investments in authorized certificates of deposit shall not exceed 40% of the Authority's invested funds and shall not exceed $50 million from any one bank. On December 31, 2024, the Authority's (excluding SFP, Captive and NYREDHC) total investment portfolio of $1,318 million, excluding cash and cash equivalents, included investments of $474 million (36%), $559 million (43%), $159 million (12%), $68 million (5%), and $58 million (4%) in government Agency securities, U.S. Treasuries, Guaranteed Investment Contracts, Reverse Repurchase Agreements and other various deposits, and Municipal securities, respectively. 79% of the total investments are in securities guaranteed by the U.S. government.

On December 31, 2025, SFP's total investment portfolio of $24 million, excluding cash and cash equivalents, includes investments of $24 million (100%), in government Agency securities, 100% of the total investments are in securities guaranteed by the U.S. Government. On December 31, 2024, SFP's total investment portfolio of $117 million, excluding cash and cash equivalents, included investments of $98 million (84%) and $19 million (16%) in government Agency securities and Treasuries, respectively. All of the total investments are securities guaranteed by the U.S. government.

On December 31, 2025, Captive's total investment portfolio of $127 million, excluding cash and cash equivalents, includes investments of $62 million (49%), $4 million (3%), $44 million (35%), and $17 million (13%) in government Agency securities, Treasuries, taxable Municipal bonds, and Guaranteed Investment Contracts, respectively. 52% of the total investments are in securities guaranteed by the U.S. Government. On December 31, 2024, Captive's total investment portfolio of $110 million, excluding cash and cash equivalents, included investments of $51 million (46%),

$43 million (40%), and $16 million (14%) in government Agency securities, taxable Municipal bonds and other securities, respectively. 46% of the total investments are in securities guaranteed by the U.S. government.

On December 31, 2025, NYREDHC's total investment portfolio of $61 million, excluding cash and cash equivalents, includes investments of $56 million (91%) and $5 million (9%) in government Agency securities and taxable Municipal bonds, respectively. 92% of the total investments are in securities guaranteed by the U.S. Government. On December 31, 2024, NYREDHC's total investment portfolio of $94 million, excluding cash and cash equivalents, included investments of $89 million (94%) and $5 million (6%) in government Agency securities and taxable Municipal bonds, respectively. 94% of the total investments are in securities guaranteed by the U.S. government.

(d) Cash and Cash Equivalents

All investments are held by designated custodians in the name of the Authority (which includes NYPA, Canal Corporation, SFP, Captive and NYREDHC, as applicable). On December 31, 2025, the Authority (excluding SFP, Captive and NYREDHC) had $207 million invested in money market funds and $22 million invested in CDAR. On December 31, 2024, the Authority (excluding SFP, Captive and NYREDHC) had $315 million invested in money market funds and $15 million invested in CDAR.

On December 31, 2025, and December 31, 2024, SFP had $81 million and $42 million invested in money market funds, respectively.

On December 31, 2025, and December 31, 2024, Captive had $4 million and $10 million invested in money market funds, respectively.

On December31, 2025, and December 31, 2024, NYREDHC had $59 million and $4 million invested in money market funds, respectively.

Total Cash and Investments of the Authority on a consolidated basis are $1.7 billion and $2.1 billion at December 31, 2025, and December 31, 2024, respectively.

Investments (NYPA and Canals)

	Total		Restricted		Capital funds*		Unrestricted	
	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24
	(in millions)							
Cash and investments:								
Cash and cash equivalents	$ 264	$ 360	$ 5	$ 8	$ 37	$ 82	$ 222	$ 270
U.S. government:								
U.S. Treasury bills	132	203	13	13	2	33	117	157
U.S. Treasury notes	210	356	-	-	191	341	19	15
	342	559	13	13	193	374	136	172
Other debt securities:								
FFCB	86	-	-	-	61	-	25	-
FNMA	104	116	-	-	28	8	76	108
FHLMC	84	94	-	-	-	5	84	89
FHLB	100	79	-	-	-	-	100	79
GNMA	102	113	-	-	-	-	102	113
All other	211	357	-	-	22	66	189	291
	687	759	-	-	111	79	576	680
Total investments	1,029	1,318	13	13	304	453	712	852
Total cash and investments	$ 1,293	$ 1,678	$ 18	$ 21	$ 341	$ 535	$ 934	$ 1,122
Summary of maturities (years):								
0 - 1	414	446	13	13	168	226	233	207
1 - 5	369	564	-	-	116	227	253	337
5 - 10	113	154	-	-	-	-	113	154
10+	133	154	-	-	20	-	113	154
	$ 1,029	$ 1,318	$ 13	$ 13	$ 304	$ 453	$ 712	$ 852

*All committed

I. The Authority's General Bond Resolution authorized the establishment of an Operating Reserve in an amount necessary to support the Authority's operations. The Trustees established the Operating Reserve level and Debt Service Reserve by resolution. As of December 31, 2025, NYPA's total cash and investments of $1.3 billion and as of December 31, 2024, NYPA's total cash and investments of $1.7 billion included Operating Reserve for working capital and emergency repairs, Debt Service Reserve to pay debt service on General Bond Resolution obligations and various other reserves. See the section "General Resolution and other budget matters" in MD&A for detailed note on the Authority's Fund Requirements.

II. As of December 31, 2025, restricted funds include the Petroleum Overcharge Restitution ("POCR") fund ($6 million), and Others ($7 million). Further, restricted Cash and cash equivalents include ($4 million) appropriated for Canals by the 2024-2025 Capital Projects Budget of New York State. As of December 31, 2024, restricted funds included primarily the POCR fund ($7 million), and Others ($6 million). Further, restricted Cash and cash equivalents included the remaining balance amount of $8 million appropriated for Canals by the 2024-2025 Capital Projects Budget of New York State.

Investments (SFP)

	Total		Restricted		Capital funds		Unrestricted	
	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24
	(in millions)							
Cash and investments:								
Cash and cash equivalents	$ 96	$ 51	$ 96	$ 51	$ -	$ -	$ -	$ -
U.S. government:								
U.S. Treasury bills	-	-	-	-	-	-	-	-
U.S. Treasury notes	-	19	-	19	-	-	-	-
	-	19	-	19	-	-	-	-
Other debt securities:								
FNMA	15	-	15	-	-	-	-	-
FHLMC	9	1	9	1	-	-	-	-
FHLB	-	90	-	90	-	-	-	-
GNMA	-	-	-	-	-	-	-	-
All other	-	7	-	7	-	-	-	-
	24	98	24	98	-	-	-	-
Total investments	24	117	24	117	-	-	-	-
Total cash and investments	$ 120	$ 168	$ 120	$ 168	$ -	$ -	$ -	$ -
Summary of maturities (years):								
0 - 1	-	103	-	103	-	-	-	-
1 - 5	16	14	16	14	-	-	-	-
5 - 10	8	-	8	-	-	-	-	-
10+	-	-	-	-	-	-	-	-
	$ 24	$ 117	$ 24	$ 117	$ -	$ -	$ -	$ -

Investments (Captive)

	Total		Restricted		Capital funds		Unrestricted	
	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24
	(in millions)							
Cash and investments:								
Cash and cash equivalents	$ 4	$ 10	$ 4	$ 10	$ -	$ -	$ -	$ -
U.S. government:								
U.S. Treasury bills	-	-	-	-	-	-	-	-
U.S. Treasury notes	4	-	4	-	-	-	-	-
	4	-	4	-	-	-	-	-
Other debt securities:								
FFCB	5	-	5					
FNMA	12	12	12	12	-	-	-	-
FHLMC	28	22	28	22	-	-	-	-
FHLB	10	10	10	10	-	-	-	-
GNMA	7	7	7	7	-	-	-	-
All other	61	59	61	59	-	-	-	-
	123	110	123	110	-	-	-	-
Total investments	127	110	127	110	-	-	-	-
Total cash and investments	$ 131	$ 120	$ 131	$ 120	$ -	$ -	$ -	$ -
Summary of maturities (years):								
0 - 1	-	-	-	-	-	-	-	-
1 - 5	26	9	26	9	-	-	-	-
5 - 10	82	89	82	89	-	-	-	-
10+	19	12	19	12	-	-	-	-
	$ 127	$ 110	$ 127	$ 110	$ -	$ -	$ -	$ -

Investments (NYREDHC)

	Total		Restricted		Capital funds		Unrestricted	
	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24
	(in millions)							
Cash and investments:								
Cash and cash equivalents	$ 59	$ 4	$ -	$ -	$ -	$ -	$ 59	$ 4
U.S. government:								
U.S. Treasury bills	-	-	-	-	-	-	-	-
U.S. Treasury notes	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Other debt securities:								
FNMA	6	7	-	-	-	-	6	7
FHLMC	22	35	-	-	-	-	22	35
FHLB	-	-	-	-	-	-	-	-
GNMA	28	47	-	-	-	-	28	47
All other	5	5	-	-	-	-	5	5
	61	94	-	-	-	-	61	94
Total investments	61	94	-	-	-	-	61	94
Total cash and investments	$ 120	$ 98	$ -	$ -	$ -	$ -	$ 120	$ 98
Summary of maturities (years):								
0 - 1	-	-	-	-	-	-	-	-
1 - 5	4	10	-	-	-	-	4	10
5 - 10	16	22	-	-	-	-	16	22
10+	41	62	-	-	-	-	41	62
	$ 61	$ 94	$ -	$ -	$ -	$ -	$ 61	$ 94

(7) Capital Assets

The following schedule summarizes the capital assets activity of the Authority for the year ended December 31, 2025.

Capital Assets (NYPA, Canals & NYREDHC)

Capital Assets (NYPA and Canals)

	January 1, 2025 Beginning balance	Additions	Retirements/Transfers	December 31, 2025 Ending balance
		(in millions)		
Non-depreciable capital assets:				
Land	$ 193	$ 241	$ -	$ 434
Construction in progress	677	593	(292)	978
Total Non-depreciable capital assets	870	834	(292)	1,412
Depreciable capital assets:				
Production - Hydro	2,497	102	(16)	2,583
Production - Gas turbine/combined cycle	1,276	-	-	1,276
Transmission	2,920	98	(46)	2,972
General	1,770	93	(122)	1,741
Energy Storage	35	-	-	35
Renewable	-	4	-	4
Canal System	1,034	99	(9)	1,124
Total Depreciable capital assets	9,532	396	(193)	9,735
Less accumulated depreciation for:				
Production - Hydro	1,128	52	(1)	1,179
Production - Gas turbine/combined cycle	959	33	-	992
Transmission	1,449	48	(15)	1,482
General	679	119	(71)	727
Energy Storage	7	4	-	11
Renewable	-	-	-	-
Canal System	393	44	(7)	430
Total accumulated depreciation	4,615	300	(94)	4,821
Net value of Depreciable capital assets	4,917	96	(99)	4,914
Net value of all assets	$ 5,787	$ 930	$ (391)	$ 6,326

In 2025, NYPA acquired a 15.7-acre parcel of land in Astoria, Queens, for $207 million. The acquisition aims to support the future transmission needs of the Authority and potentially other related needs.

In 2025, the Authority received contributed transmission assets from the Champlain Hudson Power Express (“CHPE”) project ($45 million) related to required interconnection upgrades at the Astoria Annex substation. Under NYISO tariff provisions, the Authority is required to assume ownership, operation, and ongoing maintenance of these facilities, including obtaining insurance and performing future capital replacements. In accordance with GASB Statement No. 33, the contributed assets were recognized at installed cost, with a corresponding deferred inflow of resources. The deferred inflow will be amortized over the useful life of the assets to offset related depreciation expense, resulting in no net impact on the Authority’s statement of revenues, expenses, and changes in net position.

Capital Assets (SFP)

	January 1, 2025 Beginning balance	Additions	Retirements/Transfers	December 31, 2025 Ending balance
	(in millions)			
Non-depreciable capital assets:				
Land:				
CEEC	$ 27	$ -	$ -	$ 27
Smart Path Connect	-	2	-	2
Construction in progress:				
CEEC	-	3	(3)	-
Smart Path	-	2	(2)	-
Smart Path Connect	465	107	(530)	42
Total Non-depreciable capital assets	492	114	(535)	71
Depreciable capital assets:				
CEEC	211	3	(4)	210
Smart Path	495	2	(15)	482
Smart Path Connect	338	547	(6)	879
Total Depreciable capital assets	1,044	552	(25)	1,571
Less accumulated depreciation for:				
CEEC	4	4	-	8
Smart Path	15	5	-	20
Smart Path Connect	6	9	-	15
Total accumulated depreciation	25	18	-	43
Net value of Depreciable capital assets	1,019	534	(25)	1,528
Net value of all assets	$ 1,511	$ 648	$ (560)	$ 1,599

The following schedule summarizes the capital assets activity of the Authority for the year ended December 31, 2024.

Capital Assets (NYPA and Canals)

	January 1, 2024 Beginning balance	Additions	Retirements/Transfers	December 31, 2024 Ending balance
		(in millions)		
Non-depreciable capital assets:				
Land	$ 193	$ -	$ -	$ 193
Construction in progress	538	459	(320)	677
Total Non-depreciable capital assets	731	459	(320)	870
Depreciable capital assets:				
Production - Hydro	2,480	38	(21)	2,497
Production - Gas turbine/combined cycle	1,263	14	(1)	1,276
Transmission	2,869	119	(68)	2,920
General	1,696	125	(51)	1,770
Energy Storage	35	-	-	35
Renewable	-	-	-	-
Canal System	1,004	36	(6)	1,034
Total Depreciable capital assets	9,347	332	(147)	9,532
Less accumulated depreciation for:				
Production - Hydro	1,081	52	(5)	1,128
Production - Gas turbine/combined cycle	926	33	-	959
Transmission	1,392	58	(1)	1,449
General	597	121	(39)	679
Energy Storage	3	4	-	7
Renewable	-	-	-	-
Canal System	358	41	(6)	393
Total accumulated depreciation	4,357	309	(51)	4,615
Net value of Depreciable capital assets	4,990	23	(96)	4,917
Net value of all assets	$ 5,721	$ 482	$ (416)	$ 5,787

Capital Assets (SFP)

	January 1, 2024 Beginning balance	Additions	Retirements/Transfers	December 31, 2024 Ending balance
		(in millions)		
Non-depreciable capital assets:				
Land:				
CEEC	$ 27	$ -	$ -	$ 27
Smart Path Connect	-	-	-	-
Construction in progress:				
CEEC	-	10	(10)	-
Smart Path	-	3	(3)	-
Smart Path Connect	270	311	(116)	465
Total Non-depreciable capital assets	297	324	(129)	492
Depreciable capital assets:				
CEEC	197	14	-	211
Smart Path	487	8	-	495
Smart Path Connect	218	120	-	338
Total Depreciable capital assets	902	142	-	1,044
Less accumulated depreciation for:				
CEEC	-	4	-	4
Smart Path	10	5	-	15
Smart Path Connect	2	4	-	6
Total accumulated depreciation	12	13	-	25
Net value of Depreciable capital assets	890	129	0	1,019
Net value of all assets	$ 1,187	$ 453	$ (129)	$ 1,511

(8) Long-Term and Short-Term Debt

General Resolution Long-Term and Short-Term Debt (NYPA and Canals)

	Amount 2025	Amount 2024	Interest Rate (a)	Maturity		Earliest redemption date prior to maturity
	(in millions)					
General Resolution Senior debt:						
Revenue Bonds (Tax-Exempt):						
Series 2020A Revenue Bonds:						
Term Bonds	$ 1,121	$ 1,121	3.25% to 4.00%	11/15/2045 - 2060	**	5/15/2030
Series 2024A Revenue Bonds:						
Serial Bonds	382	382	5.00%	11/15/2030 - 2044	**	11/15/2034
Term Bonds	68	68	4.00%	11/15/2049 - 2054	**	11/15/2034
Revenue Bonds (Taxable)*:						
Series 2020B Revenue Bonds:						
Term Bonds	114	114	2.818%	11/15/2039	**	Any date
	1,685	1,685				
Add: unamortized premium and discount	114	120				
Long-term senior debt	1,799	1,805				
Less: due within one year	-	-				
Long-term senior debt, net of due within one year	$ 1,799	$ 1,805				

(a) interest rate at issuance

* All outstanding taxable term bonds are subject to Make-Whole Call provisions

** Bonds are subject to sinking fund provisions

Note: Interest on Series 2020B Revenue Bonds is not excluded from gross income for bondholders' federal income tax purposes.

On May 22, 2024, the Authority deposited $275 million consisting of cash and non-callable direct obligations of the United States with The Bank of New York Mellon, as Trustee, for its outstanding $108 million Revenue Bonds, Series 2003A, $116 million Revenue Bonds Series 2007B, $15 million Subordinated Notes, Series 2012, and $20 million Subordinated Notes Series 2017 (the "Defeased Bonds and Subordinated Notes") issued under Authority's General Bond Resolution. The deposited amount, including the principal and interest on the non-callable obligations when due, are sufficient to pay the maturing principal of and interest on the Defeased Bonds and Subordinated Notes, when due. The securities were acquired with only existing resources and deposited in irrevocable trust funds ("Escrow Funds") with the Trustee. The Defeased Bonds and Subordinated Notes are deemed to have been paid with the establishment of the Escrow Funds and are in compliance with the other applicable provisions of the General Bond Resolution.

In October 2024, the Authority issued $450 million in Revenue Bonds, Series 2024 A (Green Bonds) ("2024 A Bonds"), marking its second green bond issuance under the General Bond Resolution. These bonds are referred to as Green Bonds as the proceeds are intended to be used to support environmentally beneficial projects. On issuance of the 2024 A Bonds, NYPA raised $62 million for interest payments related to these bonds. $24 million of the $62 million referred to above was capitalized as of December 31, 2025.

The General Resolution Revenue Bonds outstanding as of December 31, 2025, have an average coupon rate of 4.10% (average yield rate of 3.13%) and mature through 2060.

As indicated in Note 5 “NYPA’s Bond Resolutions and Related Matters” of the notes to the consolidated financial statements in the Authority’s December 31, 2025, and 2024, Financial Report, NYPA has pledged future revenues to service the Obligations and Parity Debt (Revenue Bonds) issued under the General Bond Resolution. The total principal and interest remaining to be paid on the General Resolution Revenue Bonds is $3.1 billion as of December 31, 2025. The interest expense for the year ending December 31, 2025, was $69 million, and for the year ending December 31, 2024, it was $58 million.

General Resolution Revenue Bonds are subject to redemption prior to maturity in whole or in part as provided in the supplemental resolutions authorizing the issuance of each series of bonds, beginning for each series on the date indicated in the table above, at principal amount or at various redemption prices according to the date of redemption, together with accrued interest to the redemption date.

Maturities and Interest Expense:

	Revenue bonds (in millions)		
	Principal	**Interest**	**Total**
Years ending December 31:			
2026	$ -	$ 69	$ 69
2027	-	69	69
2028	-	69	69
2029	-	69	69
2030 - 2034	171	330	501
2035 - 2039	225	287	512
2040 - 2044	276	236	512
2045 - 2049	313	175	488
2050 - 2054	340	109	449
2055 - 2059	296	45	341
2060 - 2064	64	2	66
	1,685	1,460	3,145
Plus: unamortized bond premium	114	-	114
Total	$ 1,799	$ 1,460	$ 3,259

The total principal and interest payments on the General Resolution Revenue Bonds for the year 2025 was $71 million.

Transmission Resolution Long-Term Debt (Separately Financed Projects)

	Amount 2025	Amount 2024	Interest Rate (a)	Maturity	Earliest redemption date prior to maturity
	(in millions)				
Series 2022A Transmission Revenue Bonds:					
Serial bonds	$ 301	$ 321	4.000% to 5.000%	11/15/2026 to 11/15/2042	11/15/2031
Term bonds	271	271	3.875% to 4.000%	11/15/2047 to 11/15/2061*	11/15/2031
Principal amount outstanding	572	592			
Series 2023A Transmission Revenue Bonds:					
Serial bonds	367	367	5.000% to 5.250%	11/15/2026 to 11/15/2043	11/15/2033
Term bonds	367	367	5.000% to 5.125%	11/15/2048 to 11/15/2063*	11/15/2033
Principal amount outstanding	734	734			
Add: unamortized premium and discount	$57	$61			
Long-term SFP debt	1,363	1,387			
Less: due within one year	34	20			
Long-term SFP debt, net of due within one year	$ 1,329	$ 1,367			

(a) interest rate at issuance

* Bonds are subject to sinking fund provisions

The Transmission Resolution Revenue Bonds outstanding as of December 31, 2025, and December 31, 2024, have an average coupon rate of 4.73% (average yield rate of 3.98%) and mature through 2063. As indicated in the “Transmission Bond Resolution Related Matters” section in Note 5 of the notes to the consolidated financial statements, NYPA has pledged future revenues generated by the assets that are funded by the bond proceeds to service the Obligations issued under the Transmission Bond Resolution. The total principal and interest remaining to be paid on the Transmission Resolution Revenue Bonds is $2.4 billion as of December 31, 2025. Interest expense for Transmission Resolution Revenue Bonds was $63 million in 2025 and $64 million in 2024.

On issuance of the Series 2023A Bonds, NYPA raised $42 million for interest payments related to these bonds. $14 million of the $42 million referred to above was capitalized as of December 31, 2025.

Long-Term Debt Cost

The total cost of the Authority’s debt was $132 million for the twelve months ending December 31, 2025, with a weighted average interest rate of 4.38%. This includes General Resolution debt of $1.8 billion at 4.1% for twelve months and Transmission Resolution debt of $1.4 billion at 4.7% for twelve months.

Maturities and Interest Expense:

Transmission Resolution Revenue Bonds
(in millions)

	Principal	Interest	Total
Years ending December 31:			
2026	$ 34	$ 62	$ 96
2027	57	60	117
2028	57	57	114
2029	41	55	96
2030 - 2034	178	244	422
2035 - 2039	177	201	378
2040 - 2044	174	160	334
2045 - 2049	170	120	290
2050 - 2054	163	83	246
2055 - 2059	156	46	202
2060 - 2064	99	10	109
	1,306	1,098	2,404
Plus: unamortized bond premium	57	-	57
Total	$ 1,363	$ 1,098	$ 2,461

The total principal and interest payments on the Transmission Resolution Revenue Bonds for 2025 was $83 million.

General Resolution Subordinate Debt:

(a) Subordinate Notes- There are no outstanding subordinated notes as of December 31, 2025, and December 31, 2024.

(b) Commercial Paper– Under the Extendible Municipal Commercial Paper ("EMCP") Note Resolution, adopted December 17, 2002, and as subsequently amended and restated, NYPA may issue a series of notes, designated EMCP Notes, Series 1, maturing not more than 270 days from the date of issue, up to a maximum amount outstanding at any time of $200 million ("EMCP" Notes). There are no outstanding notes under the EMCP program as of December 31, 2025, and December 31, 2024.

Under the provisions of the Second Amended and Restated Resolution Authorizing Commercial Paper Notes, adopted by NYPA on March 30, 2021, and the Certificate of Determination dated August 28, 2025, NYPA may issue from time to time a separate series of notes ("CP Notes") maturing not more than 270 days from the date of issue, up to a maximum amount outstanding at any time of $450 million (Series 1 CP Notes), $250 million (Series 2 CP Notes), $150 million (Series 3B CP Notes), $100 million (Series 4 Green CP Notes). Series 3A have zero allocated. . See the table below for outstanding CP amounts for 2025 and 2024. NYPA intends to use the proceeds of Series 1, certain Series 2, and Series 3A and 3B CP Notes to finance the Authority's current and future energy efficiency programs and for other corporate purposes. NYPA used the proceeds of Series 4 Green CP Notes to fund internal loans to NYREDHC for renewable energy projects.

Market access risk – NYPA remarkets its CP Notes on a continuous basis. Should the market experience a disruption or dislocation, NYPA may be unable to remarket its Notes for a period of time. To mitigate this risk, NYPA has entered into two liquidity facilities with highly rated banks to provide loans to support the CP Note programs.

NYPA has a line of credit under a 2019 Revolving Credit Agreement (the "2019 RCA"), with a syndicate of banks, to provide liquidity support for the Series 1, Series 2, and Series 3A CP Notes, under which NYPA may borrow up to $700 million in aggregate principal amount outstanding at any time for certain purposes, including the repayment of the Series 1, Series 2, and Series 3A CP Notes. The 2019 RCA was extended by amendment and is effective through June 23, 2028. As of December 31, 2025, and December 31, 2024, there were no outstanding borrowings under the 2019 RCA.

NYPA has a Revolving Credit Agreement (the "2020 RCA") and Note Purchase Agreement (the "Note Purchase Agreement") effective April 22, 2020, each between NYPA, and a single bank as Administrative Agent and sole lender thereunder (collectively the "Hybrid Credit Agreement"). NYPA is able to borrow up to $250 million in aggregate principal amount outstanding at any time under the Hybrid Credit Agreement. NYPA is able to borrow amounts under the 2020 RCA for the repayment of the Series 3B and Series 4 CP Notes. Under the Note Purchase Agreement, NYPA may issue Direct Purchase Notes to the lender thereunder or request the issuance of Letters of Credit, subject to a sublimit of up to $150 million. As of December 31, 2025, the Authority had a letter of credit outstanding in the amount of $1 million under the Hybrid Credit Agreement on behalf of NYREDHC for the benefit of Somers Solar. As of December 31, 2024, NYPA had no outstanding amount under its Hybrid Credit Agreement. NYPA and JPMorgan have executed an amendment to extend the Hybrid Credit Agreements for an additional three-year period. The Revolving Credit Agreement and Note Purchase Agreement are effective through June 23, 2028.

As of December 31, 2025, and December 31, 2024, NYPA had no outstanding balance on account of Direct Purchase Note under its Note Purchase Agreement.

The CP Notes, EMCP Notes, and Direct Purchase Notes are subordinate to the Revenue Bonds Series 2024 A, 2020A, and 2020B.

Interest on the Series 3A and 3B CP Notes is subject to taxation for federal income tax purposes.

CP Notes (short-term portion) outstanding were as follows:

	December 31, 2025		December 31, 2024	
Authorized	**Allocated**	**Outstanding**	**Allocated**	**Outstanding**
	(in millions)		(in millions)	
CP Notes (Series 1)	$450	$231	$450	$350
CP Notes (Series 2)	250	-	250	88
CP Notes (Series 3A)	-	-	-	-
CP Notes (Series 3B)	150	-	250	-
CP Notes (Series 4)	100	25	-	-

Short-term debt decreased by $182 million as shown below:

	Beginning Balance-January	Increases	Decreases	Ending balance-December
		(in millions)		
Year:				
2024	$ 227	$ 273	$ 62	$ 438
2025	$ 438	$ 25	$ 207	$ 256

(9) Changes in Noncurrent Liabilities

Changes in the Authority's noncurrent liabilities for the year ended December 31, 2025, are comprised of the following:

	Beginning balance	Additions	Maturities/ refundings and other	Ending balance	Due within one year
			(in millions)		
General Resolution :					
Senior debt:					
Revenue bonds	$ 1,685	$ -	$ -	$ 1,685	$ -
Subtotal	1,685	-	-	1,685	-
Net unamortized discounts/premiums and deferred losses	120	-	6	114	-
Total debt, net of unamortized discounts/premiums and deferred losses	1,805	-	6	1,799	-
Other noncurrent liabilities:					
Disposal of nuclear fuel	258	11	-	269	-
Relicensing	223	-	5	218	-
Other	357	69	4	422	-
Total other noncurrent liabilities	838	80	9	909	-
Total noncurrent liabilities (excluding SFP)	2,643	80	15	2,708	-
Separate Revenue Bonds (SFP)					
Series 2022A Transmission Revenue Bonds	572	-	23	549	23
Series 2023A Transmission Revenue Bonds	734	-	11	723	11
Subtotal	1,306	-	34	1,272	34
Net unamortized discounts/premiums and deferred losses	61	-	4	57	-
Total debt, net of unamortized discounts/premiums and deferred losses	1,367	-	38	1,329	34
Total noncurrent liabilities (including SFP)	$ 4,010	$ 80	$ 53	$ 4,037	$ 34

Changes in the Authority's noncurrent liabilities for the year ended December 31, 2024, are comprised of the following:

	Beginning balance	Additions	Maturities/ refundings and other	Ending balance	Due within one year
			(in millions)		
General Resolution:					
Senior debt:					
Revenue bonds	$ 1,459	$ 450	$ 224	$ 1,685	$ -
Subtotal	1,459	450	224	1,685	-
Subordinate debt:					
Subordinated Notes, Series 2017	18	-	18	-	-
Subordinated Notes, Series 2012	17	-	17	-	-
Commercial paper	-	-	-	-	-
Subtotal	35	-	35	-	-
Net unamortized discounts/premiums and deferred losses	60	64	4	120	-
Total debt, net of unamortized discounts/premiums and deferred losses	1,554	514	263	1,805	-
Other noncurrent liabilities:					
Disposal of nuclear fuel	245	13	-	258	-
Relicensing	223	-	-	223	-
Other	357	70	70	357	-
Total other noncurrent liabilities	825	83	70	838	-
Total noncurrent liabilities (excluding SFP)	2,379	597	333	2,643	-
Separate Revenue Bonds (SFP)					
Series 2022A Transmission Revenue Bonds	592	-	20	572	20
Series 2023A Transmission Revenue Bonds	734	-	-	734	-
Subtotal	1,326	-	20	1,306	20
Net unamortized discounts/premiums and deferred losses	65	-	4	61	-
Total debt, net of unamortized discounts/premiums and deferred losses	1,391	-	24	1,367	20
Total noncurrent liabilities (including SFP)	$ 3,770	$ 597	$ 357	$ 4,010	$ 20

(10) Risk Management of Commodity Hedging Activities

Overview

The Authority's risk management program aims to address commercial risks and cash flow volatility from energy, fuel, capacity, and certain non-energy commodity prices. Participation in NYISO and commodity markets exposes the Authority to price uncertainties that affect revenue and customer costs. To limit financial impact, the Authority uses financial derivatives and physical forward contracts to stabilize costs and margins, hedge geographic price differences, and manage risks related to energy, capacity, congestion, natural gas, and non-energy commodities.

To achieve the risk management program objectives, the Authority's Trustees have authorized the use of various instruments for hedging purposes that are considered derivatives under GASB No. 53, *Accounting and Financial Reporting for Derivative Instruments* ("GASB No. 53").

The fair values of all Authority derivative instruments are reported in current and noncurrent assets or liabilities on the consolidated statement of net position as risk management activities to manage commercial risk. For designated derivative instruments, changes in the fair values are deferred and classified as deferred outflows or inflows on the consolidated statement of net position. The fair value for over the counter and exchange-traded energy, fuel, capacity, and non-energy commodity derivative instruments are determined by prices published by S&P Global Platt's ("Platts"), market sources and/or pricing models.

Derivative Instruments

The following table shows the fair value of outstanding financial derivative instruments as of December 31, 2024, and December 31, 2025, and changes in fair value during the year ended December 31, 2025.

Derivative instrument description	Fair value balance December 31, 2024	Net change in fair value (in millions)	Fair value balance December 31, 2025	Type of hedge or transaction	Financial statement classification for changes in fair value	Notional amount December 31, 2025	Unit of measure
Energy swaps/futures (sales)	$ (18)	$ (21)	$ (39)	Cash flow	Deferred outflow	(3,193,920)	MWh
Energy swaps (purchases)	-	1	$ 1	Cash flow	Deferred inflow	58,986	MWh
Energy capacity futures	-	-	$ -	Cash flow	Deferred outflow	(660,000)	KWm
Fuel forwards/swaps	-	-	$ -	Cash flow	Deferred inflow	0	MMBTU
Non-energy commodity swaps	(2)	2	$ -	Cash flow	Deferred outlow	0	MT
Non-energy options	4	(2)	$ 2	Cash flow	Deferred inflow	(18,000)	MT
Totals	$ (16)	$ (20)	$ (36)				

Energy swaps and futures –The Authority transacts energy swaps and futures to manage the revenue stream from forecasted generation. Net settlement payments were $31 million through December 31, 2025, and were $2 million on December 31, 2024.

Energy capacity futures – The Authority transacts capacity swaps and futures intended to mitigate the volatility of market prices for transactions in NYISO markets. Net settlement receipts were $92 million through December 31, 2025, and were $44 million on December 31, 2024.

Fuel futures and swaps – The Authority has no outstanding natural gas forward contracts as of December 31, 2025. Net settlement payments were $0.2 million through December 31, 2025, and were $0.2 million on December 31, 2024.

Non-energy commodities swaps – The Authority transacts certain non-energy commodities swaps to mitigate the volatility of specific commodity markets affecting revenues received from certain customers'

energy supply contracts. Net settlement payments were $28 million through December 31, 2025, and net settlement receipts were $5 million through December 31, 2024.

Non-energy commodities options – The Authority transacts certain non-energy options to mitigate the volatility of specific commodity markets affecting revenues received from certain customers' energy supply contracts. Premium payments were $4 million through December 31, 2025, and $4 million on December 31, 2024. Settlement receipts were $1 million through December 31, 2025, and $5 million on December 31, 2024.

Other – Over the lifetime of each outstanding energy derivative instrument it is possible for the instrument to become ineffective due to changes in the hedged item. The change in fair market value of ineffective derivative instruments would be recognized as other nonoperating charges or credits in the statements of revenues, expenses, and changes in net position. As of December 31, 2025, and December 31, 2024, derivative instruments were determined to be effective.

Counterparty Credit Risk

The Authority imposes thresholds, based upon agency-published credit ratings and/or analysis, for unsecured credit that can be extended to counterparties in support of the Authority's commodity derivative transactions. The thresholds are established in credit support agreements with counterparties and require collateralization of mark-to-market values in excess of the thresholds.

Based upon the fair values as of December 31, 2025, and December 31, 2024, the Authority's individual or aggregate exposure to derivative instrument counterparty credit risk is not significant.

Other Considerations

The Authority at certain times, may be exposed to any of the following risks:

Basis risk – The Authority is exposed to basis risk through a portion of its electrical commodity-based swaps where the electrical commodity swap payments received are based upon a reference price in a NYISO Market Zone that differs from the zone in which the hedged electric energy load is forecasted. If the correlation between these zones' prices should change, the Authority may be exposed as a result of the inability of the electrical commodity swaps to offset the delivery price of the related energy. Positions are monitored and re-balanced as needed, to manage basis risk.

Termination risk – The Authority or its counterparties may terminate a derivative instrument if either party fails to perform under the terms of the agreement. The risk that such termination may occur at a time which may be disadvantageous to the Authority has been mitigated by including certain terms in these agreements by which the counterparty has the right to terminate only as a result of certain events, which includes a payment default by the Authority; other Authority defaults which remain uncured within a defined time-frame after notice; bankruptcy or insolvency of the Authority (or similar events); or a downgrade of the Authority's credit rating below investment grade. If at the time of termination, the Authority has a liability position related to its hedging derivative instruments, the Authority would be liable to the counterparty for a payment equal to the liability, subject to netting arrangements.

(11) Fair Value Measurements

GASB Statement No. 72 establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and consider the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument.

Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument.

The fair value hierarchy prioritizes the inputs used to measure fair value into three broad levels (Levels 1, 2, and 3), moving from quoted prices in active markets in Level 1 to unobservable inputs in Level 3. A financial instrument's level within the fair value hierarchy (where Level 1 is the highest and Level 3 is the lowest) is based on the lowest level of any input that is significant to the fair value measurement. The categorization of a financial instrument within the fair value hierarchy is based upon pricing transparency and is not necessarily an indication of the Authority's perceived risk of that financial instrument.

The following describes the fair value hierarchy of inputs used by the Authority to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

- Level 1 – Quoted prices for identical assets or liabilities in active markets that the Authority can access at the measurement date.
- Level 2 – Quoted prices other than quoted prices included within Level 1 and other inputs that are observable for an asset or liability, either directly or indirectly.
- Level 3 – Pricing inputs are unobservable for the asset or liability and may rely on inputs using the best available data under the circumstances, including the Authority's own data.

The following describes the valuation methodologies used by the Authority for assets and liabilities measured at fair value:

- U.S. government obligations – The fair value is based on institutional bond quotes and evaluations based on various market data/inputs.
- U.S. government agencies and instrumentalities – The fair value of government agencies and instrumentalities are based on institutional bond quotes and evaluations based on various market and industry inputs.
- Corporate obligations – The fair value is based on institutional bond quotes and evaluations on various market and industry inputs.
- Derivative instruments – The Authority hedges market risks through the use of derivative instruments. Derivative instruments are traded on both exchange-based and non-exchange-based markets. A detailed disclosure on derivatives is included in Note 10 "Risk Management and Hedging Activities" of notes to the consolidated financial statements.
    - The fair values for over the counter and/or exchange-traded derivative instruments are determined by the latest end-of-trading-month forward prices over the lifetime of each outstanding derivative instrument using prices published by Platts, market sources and/or internal pricing models.

The following tables summarize the Authority's outstanding assets and liabilities, of which there are no Level 3, within the fair value hierarchy at December 31, 2025, and December 31, 2024, respectively:

Fair Value Measurements (NYPA and Canals)

	Fair Value Measurements (in millions)							
	Total		Level 1		Level 2		Level 3	
	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24
Assets								
Cash and cash equivalents	$ 264	$ 360	$ 264	$ 360	$ -	$ -	$ -	$ -
Treasury bills	132	203	132	203	-	-	-	-
Treasury notes	210	356	202	338	8	18	-	-
Federal agency securities:								
FAMCA	-	10	-	-	-	10	-	-
FFCB	86	60	-	-	86	60	-	-
FHLB	100	79	-	-	100	79	-	-
FHLMC	84	94	-	-	84	94	-	-
FNMA	104	116	-	-	104	116	-	-
GNMA	102	113	-	-	102	113	-	-
Municipal bonds	50	58	-	-	50	58	-	-
All other	161	229	161	229	-	-	-	-
Total cash and investments at fair value	$ 1,293	$ 1,678	$ 759	$ 1,130	$ 534	$ 548	$ -	$ -
Derivative instruments (a):								
Energy swaps/futures	39	18	-	-	39	18	-	-
Non-energy swaps/options	16	3	-	-	16	3	-	-
Total derivative assets at fair value	55	21	-	-	55	21	-	-
Total assets at fair value	$ 1,348	1,699	$ 759	$ 1,130	$ 589	569	$ -	$ -
Liabilities								
Derivative instruments (a):								
Non-energy swaps/options	2	4	-	-	2	4	-	-
Total derivative liabilities at fair value	2	4	-	-	2	4	-	-
Total liabilities at fair value	$ 2	$ 4	$ -	$ -	$ 2	$ 4	$ -	$ -

(a) At December 31, 2025, and 2024, the Authority determined that nonperformance risk had no material impact on the financial position or results of operations.

Fair Value Measurements (SFP)

	Fair Value Measurements (in millions)							
	Total		Level 1		Level 2		Level 3	
	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24
Assets								
Cash and cash equivalents	$ 96	$ 51	$ 96	$ 51	$ -	$ -	$ -	$ -
Treasury note	-	19	-	14	-	5	-	-
Federal agency securities:								
FNMA	15	-	-	-	15	-	-	-
FFCB	-	7	-	-	-	7	-	-
FHLB	-	90	-	-	-	90	-	-
FHLMC	9	1	-	-	9	1	-	-
Total cash and investments at fair value	$ 120	$ 168	$ 96	$ 65	$ 24	$ 103	$ -	$ -

Fair Value Measurements (Captive)

	Fair Value Measurements (in millions)							
	Total		Level 1		Level 2		Level 3	
	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24
Assets								
Cash and cash equivalents	$ 4	$ 10	$ 4	$ 10	$ -	$ -	$ -	$ -
Treasury bills	-	-	-	-	-	-	-	-
Federal agency securities:								
FNMA	12	12	-	-	12	12	-	-
FFCB	6	-	-	-	6	-	-	-
FHLMC	28	22	-	-	28	22	-	-
FHLB	10	10	-	-	10	10	-	-
GNMA	7	7	-	-	7	7	-	-
Municipal bonds	45	43	-	-	45	43	-	-
All other	19	16	19	16	-	-	-	-
Total cash and investments at fair value	$ 131	$ 120	$ 23	$ 26	$ 108	$ 94	$ -	$ -

Fair Value Measurements (NYREDHC)

	Fair Value Measurements (in millions)							
	Total		Level 1		Level 2		Level 3	
	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24
Assets								
Cash and cash equivalents	$ 59	$ 4	$ 59	$ 4	$ -	$ -	$ -	$ -
Treasury bills	-	-	-	-	-	-	-	-
Federal agency securities:								
FNMA	6	7	-	-	6	7	-	-
FHLMC	22	35	-	-	22	35	-	-
FHLB	-	-	-	-	-	-	-	-
GNMA	28	47	-	-	28	47	-	-
Municipal bonds	5	5	-	-	5	5	-	-
All other	-	-	-	-	-	-	-	-
Total cash and investments at fair value	$ 120	$ 98	$ 59	$ 4	$ 61	$ 94	$ -	$ -

(12) Pension Plans

General Information

Substantially all of the Authority's employees participate in the New York State and Local Employees Retirement System ("NYSLERS") and the Public Employees' Group Life Insurance Plan ("the Plan"). These are cost-sharing multiple-employer defined benefit retirement plans.

NYSLERS uses a tier concept to distinguish membership classes (i.e., tiers 1 through 6) with tier membership based on the date an employee joins the System. The NYSLERS is non-contributory for tiers 1 and 2 employees who joined the NYSLERS on or prior to July 27, 1976. Tiers 3 and 4 employees, who joined the NYSLERS between July 28, 1976, and December 31, 2009, and have less than ten years of service, contribute 3% of their salary. Tier 5 employees who joined the NYSLERS on or after January 1, 2010, contribute 3% of their salary during their entire length of service. Tier 6 employees who joined the NYSLERS on or after April 1, 2012, contribute 3% of their salary through March 31, 2013, and up to 6% thereafter, based on their annual salary, during their entire length of service. Members become vested in the plan after five years of service and generally are eligible to receive benefits at age 55. The benefit is generally 1.67% of final average salary ("FAS") times the number of years of service, for members who retire with less than 20 years of service, and 2% of FAS for members who retire with 20 or more years of service. NYSLERS provides an annual automatic cost of living adjustment to members or surviving spouses based on certain eligibility criteria.

The NYSLERS and the Plan provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). As set forth in the NYSRSSL, the Comptroller of the State of New York ("Comptroller") serves as sole trustee and administrative head of the NYSLERS and the Plan. The Comptroller adopts and may amend rules and regulations for the administration and transaction of the business of the NYSLERS and the Plan, and for the custody and control of their funds. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers.

The Authority is required to contribute at an actuarially determined rate. The average contribution rates relative to payroll for the NYSLERS fiscal years ended March 31, 2025, and March 31, 2024, were 15% and 13%, respectively. The average contribution rates relative to payroll for the NYSLERS fiscal years ending March 31, 2026, and 2027 have been set at approximately 16.5% and 17.6%, respectively. The required

contributions for 2025 were $45 million and $39 million for 2024. The Authority's contributions to the NYSLERS were equal to 100% of the required contributions for each year.

The NYSLERS and the Plan issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, NY 12244 or may be found on the internet at www.osc.state.ny.us/retire/publications/index.php.

Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2025, and December 31, 2024, the Authority reported a liability of $143 million and $120 million, respectively, for its proportionate share of the net pension liability within other long-term liabilities. The NYSLERS total pension liability, which was used to calculate the NYSLERS net pension liability, was measured by NYSLERS as of March 31, 2025 (measurement date). The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Authority's proportionate share of the net pension liability was 0.83% as of March 31, 2025, and 0.81% as of March 31, 2024. For the year ended December 31, 2025, and 2024, the Authority recognized a pension expense of $32 million and $52 million, respectively. At December 31, 2025, and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	December 31, 2025		December 31, 2024	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
	(in millions)		(in millions)	
Difference between expected and actual experience	$ 36	$ 2	$ 39	$ 3
Net difference between projected and actual earnings on investments	11	-	-	59
Change of assumptions	6	-	45	-
Difference between employer contributions and proportionate share of contributions	5	3	5	4
Employer contributions subsequent to the measurement date	45	-	39	-
Total	$ 103	$ 5	$ 128	$ 66

The $45 million reported as deferred outflows of resources as of December 31, 2025, related to pension resulting from the Authority's contributions subsequent to the measurement date, will be recognized as a decrease in the net pension liability in the year ended December 31, 2026. The $39 million reported as deferred outflows of resources as of December 31, 2024, related to pension resulting from the Authority's contributions subsequent to the measurement date, was recognized as a decrease in the net pension liability in the year ended December 31, 2025. The other amounts reported as deferred outflows of resources and deferred inflows of resources for December 31, 2025, related to pension, will be recognized as a debit to pension expenses as follows (in millions):

Year	Pension Expense Debit (in millions)
2026	$ 25
2027	37
2028	(11)
2029	2
Total	$ 53

Actuarial Assumptions

The NYSLERS total pension liability at March 31, 2025, and 2024 was determined by using the NYSLERS actuarial valuation as of April 1, 2024, and 2023, respectively with updated procedures to roll forward the NYSLERS total pension liability to March 31, 2025, and March 31, 2024, respectively. The following actuarial assumptions were used for the April 1, 2024, and 2023 NYSLERS actuarial valuation:

Actuarial Assumptions	April 1, 2024	April 1, 2023
Actuarial cost method:	Entry age normal	Entry age normal
Inflation rate:	2.9%	2.9%
Salary increases:	4.3% annually	4.4% annually
Investment rate of return:	5.9% compounded annually, net of investment expenses	5.9% compounded annually, net of investment expenses
Cost of living adjustments:	1.5% annually	1.5% annually

The NYSLERS Annuitant mortality rates are based on April 1, 2015 – March 31, 2020, NYSLERS experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

Long-Term Expected Rate of Return

The NYSLERS long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Type	Target Allocation	December 31, 2025 Long-term Expected Real Rate	December 31, 2024 Long-term Expected Real Rate
Domestic Equity	25%	3.54%	4.00%
International Equity	14%	6.57%	6.65%
Private Equity	15%	7.25%	7.25%
Real Estate	12%	4.95%	4.60%
Credit	4%	5.40%	5.40%
Opportunistic/ ARS Portfolio	3%	5.25%	5.25%
Real Asset	4%	5.55%	5.79%
Fixed Income	22%	2.00%	1.50%
Cash	1%	0.25%	0.25%
	100%		

Discount Rate

The discount rate used to calculate the total pension liability was 5.9 percent for 2025 and 2024. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the NYSLERS fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability (asset) calculated using the discount rate of 5.9 percent, as well as what the Authority's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (4.9 percent) or one percentage point higher (6.9 percent) than the current rate:

	December 31, 2025			December 31, 2024		
	1% Decrease	Current Assumption	1% Increase	1% Decrease	Current Assumption	1% Increase
Discount rate	4.9%	5.9%	6.9%	4.9%	5.9%	6.9%
The Authority's proportionate share of the net pension liability/(asset)	$413 million	$143 million	$(83) million	$377 million	$120 million	$(95) million

The NYSLERS actuary has recommended maintaining all current economic assumptions used in April 1, 2024, actuarial valuation, with the exception of the ERS salary scale. The adjustment to the ERS salary scale is based on System experience for fiscal years 2016 through 2025 and will be incorporated into the next actuarial valuation.

(13) Postemployment Benefits (OPEB), Deferred Compensation and Savings and Voluntary Defined Contribution Plan

NYPA provides certain health care and life insurance benefits for eligible retired employees and their dependents under a single employer noncontributory (except for certain optional life insurance coverage) health care plan ("NYPA OPEB Plan"). Employees and/or their dependents become eligible for these benefits when the employee has reached 55 years of age and has at least 10 years of service and retires or dies while working at NYPA. Salaried employees hired after December 31, 2015, and IBEW employees hired after May 19, 2015, become eligible after 15 years of service. In addition, they will be required to contribute 50% of the active plan contribution; there will be no contribution once the transition takes place to the Medicare advantage plan. Additionally, NYPA reimburses retirees, and in certain cases covered dependents, for some or all of their Medicare Part B premiums.

NYPA has an established trust for OPEB obligations ("OPEB Trust"), with the trust to be held by an independent custodian. Plan members are not required to contribute to the OPEB Trust. The OPEB Trust is set up to pay for the exclusive benefit of the OPEB Trust plan participants. The funding of NYPA's OPEB Trust is at the discretion of management. Changes to NYPA OPEB Plan or OPEB Trust agreement are approved by the Authority's Trustees. NYPA made contributions on a pay-as-you-go basis in 2025 and 2024 and did not contribute any amount beyond these contributions to the OPEB Trust.

The Canal Corporation provides health care and death benefits for eligible retired employees. Substantially all employees may become eligible for these benefits if they reach normal retirement age while working for the Canal Corporation. The Canal Corporation participates, pursuant to the provision of Section 163(4) of the New York State Civil Service Law, in the New York State Health Insurance Program ("NYSHIP"). NYSHIP does not issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the plan. To be eligible an employee must (1) retire as a member of Canal Corporation or be at least 55 years old at time of termination; (2) be enrolled in the NYSHIP on date of retirement; and (3) complete at least 10 years of service for the retiree and dependent to have coverage while the employee is living. Ten years of service are needed for continued dependent coverage upon death of the employee. The Plan currently pays a portion of the medical premium cost for retired employees and covered dependents. Additionally, the Plan reimburses retirees and covered dependents for their Medicare Part B premiums.

As of June 30, 2025, and June 30, 2024, measurement date (using December 31, 2023, census information), 1,989 current employees and 2,790 former employees and beneficiaries were covered by the benefit terms under NYPA Plan. The number of employees as of June 30, 2024, are rolled forward with no change for actuarial valuation purposes. It is assumed that 100% of future retirees who meet the eligibility requirements will participate in NYPA OPEB plan.

As of June 30, 2025, and June 30, 2024, measurement date (using census information as of May 1, 2024), 449 current employees and 698 former employees and beneficiaries were covered by the benefit terms under the Canal Retiree Health Plan. The number of employees as of June 30, 2024, are rolled forward with no change for actuarial valuation purposes It is assumed that 100% of future retirees who meet the eligibility requirements will participate in the OPEB plan.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, and 2024, the Authority recognized OPEB expense credit of $(30) million and $(39) million, respectively. At December 31, 2025, and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	December 31, 2025		December 31, 2024	
	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows
	(in millions)		(in millions)	
Differences between expected and actual experience	$ 3	$ 7	$ 5	$ 6
Changes in assumptions	69	62	2	108
Investment Earnings	29	66	64	62
Employer contributions subsequent to the measurement date	12	-	11	-
Total	$ 113	$ 135	$ 82	$ 176

The $12 million reported as deferred outflows of resources as of December 31, 2025, related to OPEB resulting from the Authority's contributions subsequent to the measurement date, will be recognized as a reduction of the total OPEB liability in the following year. The $11 million reported as deferred outflows of resources as of December 31, 2024, related to OPEB resulting from the Authority's contributions subsequent to the measurement date, was recognized as a reduction of the total OPEB liability in the year ended December 31, 2025. The remaining $34 million reported as net inflows of resources for December 31, 2025, related to OPEB will be recognized as credit in OPEB expense as follows:

Year	OPEB Expense Credit (in millions)
2026	$ (11)
2027	(21)
2028	(12)
2029	(4)
2030	12
2031	2
Total	$ (34)

Net OPEB Asset

The Authority's net OPEB asset was measured as of June 30, 2025, based on valuation results as of December 31, 2023, for NYPA's plan and May 1, 2024, for the Canal plan, projected to the measurement date on a no gain/loss basis. The Authority's net OPEB asset was measured as of June 30, 2024, based on valuation results as of December 31, 2023, for NYPA's plan and May 1, 2024, for the Canal plan, projected to the measurement date on a no gain/loss basis. The Authority's net OPEB asset of $200 million and $213 million as of December 31, 2025, and 2024, respectively, is recorded in other long-term assets in the Authority's consolidated statement of net position.

The following table shows the components of the Authority's changes in its total OPEB liability, the OPEB fiduciary net position, and the net OPEB asset during the measurement period ending June 30, 2025, and 2024.

	December 31, 2025			December 31, 2024		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (asset)	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (asset)
	Increase (Decrease) (in millions)			Increase (Decrease) (in millions)		
Opening balance	$ 617	$ 830	$ (213)	$ 635	$ 747	$ (112)
Service cost	12	-	12	14	-	14
Interest	43	-	43	45	-	45
Change of benefit terms	-	-	-	1	-	1
Differences between expected and actual experience	(3)	-	(3)	(6)	-	(6)
Changes of assumptions	83	-	83	(42)	-	(42)
Contributions - employer	-	29	(29)	-	30	(30)
Net investment income	-	100	(100)	-	87	(87)
Benefit payments	(29)	(29)	-	(30)	(30)	-
Administrative expense	-	(7)	7	-	(4)	4
Net changes	106	93	13	(18)	83	(101)
Balance - end of year	$ 723	$ 923	$ (200)	$ 617	$ 830	$ (213)

The components of the net OPEB asset at June 30, 2025, were as follows (in millions):

Total OPEB liability	$ 723
Plan fiduciary net position	(923)
Net OPEB asset	$ (200)
Plan fiduciary net position as a percentage of the total OPEB liability	128%

The components of the net OPEB asset at June 30, 2024, were as follows (in millions):

Total OPEB liability	$ 617
Plan fiduciary net position	(830)
Net OPEB asset	$ (213)
Plan fiduciary net position as a percentage of the total OPEB liability	135%

Actuarial Assumptions

The total OPEB liability as of June 30, 2025, was measured using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return:	6.00%
Healthcare Cost Trend Rates:	Pre-Medicare Medical – 7.75 percent for 2025, decreasing 0.25 percent per year to an ultimate rate of 4.50 percent for 2038 and later years. Post-Medicare Medical – 4.95 percent for 2025, decreasing to an ultimate rate of 4.50 percent for 2034. Prescription drugs (Rx) – 10.00 percent for 2025, decreasing to an ultimate rate of 4.50 percent for 2038. Medicare Advantage – 4.0 percent for gross costs, 3.5 percent for Medicare reimbursements, reimbursement assumed to cover a minimum of 85 percent of gross costs.
Salary increases:	Varies by service, average of 8.80 percent for first year of service, 4.95 percent for 5 years of service, 4.18 percent for 10 years of service, 3.63 percent for 15 years of service, and 3.30 percent for 20 years or more of service.
Mortality:	The General Pub-2010 headcount weighted tables were used for active employees and healthy retirees and dependents, while the corresponding Contingent Survivor mortality tables were used for surviving spouses and the corresponding Disabled Retiree mortality tables were used for disabled participants. To project mortality improvement for years after 2010, the MP-2021 Projection Scale is applied on a fully generational basis to the base rates.

The total OPEB liability as of June 30, 2024, was measured using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return:	7.00%
Healthcare Cost Trend Rates:	Pre-Medicare Medical – 8.000 percent for 2024, decreasing 0.25 percent per year to an ultimate rate of 4.50 percent for 2038 and later years. Post-Medicare Medical – 5.00 percent for 2024, decreasing to an ultimate rate of 4.50 percent for 2034. Prescription drugs (Rx) – 10.50 percent for 2024, decreasing to an ultimate rate of 4.50 percent for 2038. Medicare Advantage – 4.0 percent for gross costs, 3.5 percent for Medicare reimbursements, reimbursement assumed to cover a minimum of 85 percent of gross costs.
Salary increases:	Varies by service, average of 8.80 percent for first year of service, 4.95 percent for 5 years of service, 4.18 percent for

10 years of service, 3.63 percent for 15 years of service, and 3.30 percent for 20 years or more of service.

Mortality: The General Pub-2010 headcount weighted tables were used for active employees and healthy retirees and dependents, while the corresponding Contingent Survivor mortality tables were used for surviving spouses and the corresponding Disabled Retiree mortality tables were used for disabled participants. To project mortality improvement for years after 2010, the MP-2021 Projection Scale is applied on a fully generational basis to the base rates.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates (expected returns net of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	December 31, 2025		December 31, 2024	
Asset Type	Target Allocation	Long-term Expected Real Rate	Target Allocation	Long-term Expected Real Rate
Domestic Equity	20%	7.1%	32%	6.7%
International Equity	25%	6.7%	18%	7.3%
Fixed Income	15%	5.3%	11%	4.9%
Real Estate & Infrastructure	11%	6.8%	13%	7.1%
Private Equity	15%	10.5%	15%	15.0%
Private Debt	12%	9.2%	10%	9.0%
Cash	2%	3.6%	1%	3.4%
	100%		100%	

Rate of Return

For NYPA OPEB Plan year ended June 30, 2025, and 2024, the annual weighted rate of return on investments, net of investment expense, was 12.0 percent and 11.4 percent, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to calculate the total OPEB liability was 6% for 2025 and 7% for 2024, which is the long-term rate of return on the OPEB Trust assets as of June 30, 2025, and 2024 measurement dates, respectively. The projection of cash flows used to determine the discount rate assumed that the Authority would contribute at a rate equal to the average of contributions made over the most recent five-year period

(2020 through 2025 for 2025 and 2019 through 2024 for 2024), and that contributions apply first to service cost of current and future plan members and then to past service costs. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees for the foreseeable future.

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

Changes in the discount rate affect the measurement of the total OPEB liability. The following table depicts the Authority's Net OPEB assets, as well as the sensitivity of using a discount rate that is 1 percentage point lower (5.0 percent for 2025, 6.0 percent for 2024) or 1 percentage point higher (7.0 percent for 2025, 8.0 percent for 2024) than the current discount rate:

	December 31, 2025			December 31, 2024		
	1% Decrease (5.0%)	Current Discount Rate (6.0%)	1% Increase (7.0%)	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net OPEB (Asset) (In millions)	$ (99)	$ (200)	$ (283)	$ (145)	$ (213)	$ (289)

Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rates

Changes in the healthcare cost trends affect the measurement of the total OPEB liability. The table below shows the sensitivity of the net OPEB asset to the changes in the healthcare cost trends:

	December 31, 2025			December 31, 2024		
	1% Decrease	Current Healthcare Trend Rate	1% Increase	1% Decrease	Current Healthcare Trend Rate	1% Increase
Net OPEB (Asset) (In million)	$ (291)	$ (200)	$ (87)	$ (291)	$ (213)	$ (141)

Deferred Compensation, Savings Plans and Voluntary Defined Contribution (VDC) Plan

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. This plan permits participants to defer a portion of their salaries until future years. Amounts deferred under the plan are not available to employees or beneficiaries until termination, retirement, death or an unforeseeable emergency. The Authority does not contribute to this plan.

The Authority also offers nonunion employees a savings plan created in accordance with Internal Revenue Code, Section 401(k) as applicable. This plan also permits participants to defer a portion of their salaries. The Authority matches the contributions of employees up to limits specified in the plan. Matching annual contributions were $6 million for 2025 and 2024.

The deferred compensation plan and the savings plan may have a loan feature, based on the plan guidelines.

Independent trustees, represented by a committee of union representatives and nonunion employees as applicable, are responsible for the administration of the 457 and 401(k) plan assets. Various investment

options are offered to employees in each plan. Employees are responsible for making the investment decisions relating to their savings plans.

A defined retirement plan option (the VDC program) was created as an alternate to the traditional NYSLERS retirement plan option to help employees of public agencies/employers (meeting certain eligibility criteria) to build retirement plan accumulations that will help provide retirement income to meet their retirement goals. Non-union employees who were hired on or after July 1, 2013, and at the time of offering earn $75,000 or more annually have a one time irrevocable choice of joining NYSLERS (Refer note 12 above) or the VDC. The Authority matches the contributions of employees up to the limits specified in the plan. The VDC program includes a 366-day vesting period, after which a participant has full and immediate vesting in all retirement benefits provided by the annuities purchased through the employee and employer contributions. The employer and employee contributions are not deposited into accounts until the completion of the 366-day vesting period. The VDC program is the employee's personal retirement account and is supported by employer and employee contributions plus any applicable earnings. A participant's income in retirement will be determined by the account balance. The Authority contributed $5 million to this plan in 2025 and $4 million in 2024.

(14) Nuclear Plant Divestiture and Related Matters

On November 21, 2000, NYPA sold the James A. Fitzpatrick nuclear plant (JAF) and the Indian Point 3 nuclear plant (IP3) to two subsidiaries of Entergy Corporation (collectively, Entergy or the Entergy Subsidiaries). On March 31, 2017, Entergy transferred JAF to Exelon Generation Company, LLC (Exelon).

In accordance with the Nuclear Waste Policy Act of 1982, in June 1983, NYPA entered into a contract with the U.S. Department of Energy (DOE) under which DOE, commencing not later than January 31, 1998, would accept and dispose of spent nuclear fuel. In conjunction with the sale of the nuclear plants, NYPA's contract with the DOE was assigned to Entergy. Entergy assigned the portion of the pre-1983 spent fuel obligation applicable to JAF to Exelon in connection with the sale of JAF to Exelon. NYPA remains liable for the pre-1983 spent fuel obligation to Exelon for JAF and to Entergy for IP3, which as of December 31, 2025, and 2024, were $269 million and $258 million, respectively.

(15) Power Purchase Agreements ("PPA's")

The Authority does not have any Power Purchase Agreements ("PPAs") that have a fixed charge provision or fixed cost. As and when such PPA's are executed, they will be reflected in the Notes to the Authority's Consolidated Financial Statements

The Authority executed nine 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 sixty 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 will 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 first three of these nineteen PPAs have entered commercial operation, and more are expected to enter commercial operation in 2026.

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. 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. 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 Power Sales Contract respectively.

All other projects are in the design or construction phase, and the Authority is not paying for or recovering for energy under those agreements that are cost-neutral to the Authority.

In July 2025, NYPA 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 NYPA as the sole offtaker. Any debt or liability incurred by NYEFDC on behalf of NYPA to prepay for energy is not a debt or liability of NYPA. Under the Power Supply Contract, NYEFDC will sell and deliver to NYPA and NYPA will purchase specified quantities of market-based energy, less a specified discount. The initial energy delivery period (during which NYPA 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. NYPA will only pay for energy when delivered and the Power Supply Contract represents an offset to NYPA's existing market-based power purchases.

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' New York City 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 New York City Governmental Customers. An equal amount of revenue is recognized during the period related to reimbursements from the New York City Governmental Customers.

(16) Purchased Power Cost

The Authority purchased power for $962 million in 2025 and $678 million in 2024 in the open market, including $171 million of purchases made under PPAs during 2025 and $165 million during 2024 (See Note 15 for PPAs), with the entire cost passed through to its customers. The Authority is under no obligation to purchase power unless customer demands require such purchases, in which case the entire cost is recovered.

(17) Captive Insurance

On September 29, 2022, the Authority's Trustees approved the formation of a subsidiary corporation called the NYPA Captive Insurance Company ("Captive"), and on May 2, 2023, New York State Department of Financial Services ("DFS") issued the Certificate of Incorporation for Captive. On May 25, 2023, the Authority contributed $250,000 as its initial capital contribution to Captive. An additional $99,750,000 of capital contribution was made on August 8, 2023, bringing the total contribution to $100 million. DFS issued Captive the requisite license to operate on July 25, 2023.

On September 1, 2023, Captive initially underwrote a TRIA Certified NBCR (Nuclear, Biological, Chemical, Radiological & Cyberterrorism) Terrorism policy with an aggregate limit of $500 million. The policy has a federal backstop and 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 also 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. Those policies have since been renewed on an annual basis.

(18) Renewables

The Power Authority Act was amended in 2023 to, among other things, provide NYPA 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 New York State Climate Leadership and Community Protection Act, Chapter 106 of the Laws of 2019 (the "CLCPA"). Pursuant to such authority ("renewable development authority"), NYPA formed a subsidiary under the New York Business Corporation Law.

On November 21, 2024, NYPA incorporated NYREDHC. NYREDHC is authorized to carry out NYPA's renewable energy business and strategy as provided under the renewable development authority. NYREDHC is authorized to pursue any project identified in the NYPA Renewables Strategic Plan as explained in detail in "Legislation Expanding NYPA's Development Authority" section in MD&A.

On December 31, 2024, NYPA funded NYREDHC with $100 million from amounts released from the lien of the Trust Estate created by the General Resolution. On February 28, 2025, NYREDHC purchased a 100% equity stake in Somers Solar from an affiliate of CS Energy, LLC. Somers Solar is a 20-MW project in Fort Edward, NY and was awarded a NYSERDA Tier 1 Index REC under the 2024 RES Solicitation ("Somers Solar Project").

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. The shared services agreement was approved by the Authority's Trustees and the NYREDHC Board of Directors.

In September 2025, the Authority's Trustees and NYREDHC's Board of Directors each approved an intercompany loan facility which allows for borrowings of up to $100 million in aggregate, with NYPA as lender and NYREDHC as borrower to fund ongoing investments by NYREDHC in renewable energy projects. In December 2025, NYREDHC borrowed $25 million under this facility to fund a portion of construction costs of the Somers Solar Project. NYPA funded this loan with the issuance of tax-exempt commercial paper. NYREDHC board of directors in September also approved Somers Solar, LLC to execute an Engineering, Procurement, and Construction contract, along with other related project contracts, for up to $50 million, a portion of which will be funded by the intercompany loan facility. In the fall, NYPA also executed, through NYREDHC, two exclusivity agreements to purchase or partner on two additional projects identified in the Strategic Plan, with the transactions expected to close in the first half of 2026.

(19) Commitments and Contingencies

(a) Power Programs

ReCharge New York Power Program

NYPA is currently providing funding for the agricultural consumer electricity discount program, with an annual allocation of up to $5 million. See MD&A (unaudited) for details on ReCharge New York Power Program.

Western New York Power Proceeds Allocation Act

The Western New York Power Proceeds Act ("WNYPPA") was created with an effective date of March 30, 2012. WNYPPA authorizes the Authority, as deemed feasible and advisable by the Authority's Trustees, to deposit net earnings from the sale of unallocated Expansion Power and Replacement Power from the Authority's Niagara Power Project into an account administered by the Authority known as the Western New York Economic Development Fund ("WNYED Fund"). Net earnings are defined as any excess revenues earned from such power sold into the wholesale market over the revenues that would have been received had the power been sold at the Expansion Power and Replacement Power rates. Proceeds from the Fund may be used to support eligible projects undertaken within a 30-mile radius of the Niagara Power Project that satisfy applicable criteria. Chapter 58 also establishes a five-member Western New York Power Allocations Board, which is appointed by the governor.

The Authority's Trustees approved the release of up to $168 million in net earnings calculated for the period August 30, 2010, through December 31, 2025, as provided in the legislation, for deposit into the WNYED Fund. As of December 31, 2025, approximately $135 million has been deposited into the Fund. The Authority has approved awards of approximately $66 million to businesses and made payments of approximately $38 million as of December 31, 2025. Payment of these awards is contingent upon the execution of acceptable contracts between the Authority and individual awardees.

Northern New York Power Proceeds Allocation Act

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 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 the Authority would administer known as the Northern New York Economic Development Fund ("NNYED Fund"), and to make awards to eligible applicants that propose eligible projects that satisfy applicable criteria. NNYPPA also establishes a five-member Northern New York Power Allocations 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 Authority's 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 into in 2012 ("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 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. The amount of SLCEDP that the Authority could use to generate net earnings may not exceed the lesser of 10 MW or the amount of SLCEDP that has not been allocated.

As of December 31, 2025, the Authority's Trustees approved the release of funds, of up to $19 million, into the NNYED Fund representing "net earnings" from the sale of unallocated SLCEDP into the wholesale energy

market for the period December 29, 2014, through December 31, 2025. As of December 31, 2025, approximately $12 million has been deposited into the Fund. As of December 31, 2025, the Authority has approved awards of NNYED Fund money totaling approximately $6 million to businesses that have proposed eligible projects and made payments totaling approximately $2 million to such businesses. Payment of approved awards of the NNYED Fund money is contingent upon the execution of acceptable contracts between the Authority and individual awardees.

HTP Transmission Line

In 2011 the Authority's Trustees authorized the Authority to enter into a 20-year Firm Transmission Capacity Purchase Agreement ("FTCPA") with Hudson Transmission Partners, LLC ("HTP") for the purchase of transmission capacity 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") charges allocated to HTP in accordance with the PJM tariff. The RTEP charges imposed upon HTP, which are still subject to legal challenge, are discussed in more detail below.

It is estimated that the revenues derived from the Authority's rights under the FTCPA will not be sufficient to fully cover the Authority's costs under the FTCPA during the 20-year term of the FTCPA. As of December 31, 2025, the Authority estimated that its under-recovery of costs for the Line could be in the range of approximately $86 million to $95 million per year over the period from 2026 through 2029. The under-recovery estimates were based on projections of the capacity payment obligations, the costs of interconnection and transmission upgrades and energy revenues.

Regarding the RTEP charges, the Authority was able to avoid such assessments starting in 2018 due to HTP's relinquishment of its Firm Transmission Withdrawal Rights ("FTWRs") on the PJM system. For RTEP assessed prior to 2018, the Authority and HTP and other New York parties contested the FERC-approved PJM RTEP allocations as unjust and unreasonable before the D.C. Circuit Court of Appeals. On August 9, 2022, the court agreed that PJM's RTEP 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 allocations using a replacement rate effective June 2015 that eliminates the flaws identified in the 2022 court opinion and provide refunds with interest within 90 days. 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 substantial refunds from FERC's order for PJM to recalculate RTEP 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. Note that FERC's order on remand is subject to challenge.

In 2020, FERC determined that a portion of the RTEP charges assignable to the HTP facility dating back to 2018 had to be reinstated as they were unrelated to whether HTP had retained FTWRs. These reinstated RTEP charges 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 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 allocations remain in place. The Authority initiated a Request for Proposals process, which offers the Authority opportunities to enhance its financial performance with respect to the HTP cable, including

providing clean energy to New York City. The Authority has signed a non-binding Term Sheet and is in exclusive negotiations with a counterparty to execute a Transmission Capacity Resale Agreement for a term of up to seven years.

(b) Legal and Related Matters

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 (the "Defendants"), claiming ownership to certain lands in St. Lawrence and Franklin counties and to Barnhart, Long Sault and Croil islands. These 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 included, among other things, the 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 at the preference rate 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 of New York, representing various defendants including St. Lawrence County and the Authority, outlined a framework for a potential settlement of all the St. Regis land claims, formalized in a Memorandum of Understanding ("St. Regis MOU") with the plaintiff, St. Regis Mohawk Tribe. After various discussions, the defendants agreed to a negotiated settlement in the St. Regis MOU that would require the Authority to pay the plaintiff $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 Tribe's reservation. The St. Regis MOU would require an Act of Congress to become effective.

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 will 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 but has not yet been signed into law.

Helicopter Incident Near the Authority's Transmission Lines in Beekmantown, New York

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, New York. 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 that 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 each appealed to the Appellate Division, Second Department. The appeal is now fully briefed and argued, and the parties are waiting for the Court to issue its decision.

Small Natural Gas Power Plants (SNGPP) (refer MD&A for additional details)

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.

Other Actions or Claims

In addition to the matters described above, other 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 opinion of the Authority, be disposed of within the amount of the Authority's insurance coverage, where applicable, or the amount which the Authority has available therefore and without any material adverse effect on the business of the Authority. While the Authority cannot presently predict the outcome of the matters described above or any related litigation, the Authority believes that 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.

(c) Leases

Lessee Arrangements

Under the provisions of GASB No. 87, the lease obligations represent the net present value of various contracts including property leases. The value of the asset and the obligation is reduced each month to properly reflect the remaining net present value of the asset and obligation.

Below is a description of these lease arrangements:

(i) Property Leases

The Authority leases properties throughout New York State to serve its customers. These sites include offices, EV charging sites and warehouses. While terms vary by lease, each lease provides for a monthly lease payment subject to a fixed escalation on the anniversary date of each agreement. None of the leases contain provisions for variable payments or residual value guarantees.

Additionally, there are no other payments such as residual value guarantees or termination penalties, not previously included in the measurement of the lease liability reflected as outflows of resources in 2025 and 2024. On December 31, 2025, the right-to-use lease asset for property leases amounted to approximately $34 million, net of $10 million of accumulated amortization, with a corresponding lease liability of $18 million. On December 31, 2024, the right-to-use lease asset for property leases amounted to approximately $30 million, net of $6 million of accumulated amortization, with a corresponding lease liability of $16 million.

The Authority has $18 million of principal and $4 million of interest requirements to maturity for the Authority's leases from 2026-2050.

Lessor Arrangements

The Authority receives contractually determined revenue related to leasing agreements. While terms vary by lease, each lease provides for lease receipts subject to a fixed escalation on the anniversary date of each agreement. These arrangements do not provide for any variable payments. There were no additional payments received other than the rental payments. The total amount of lease revenue and interest revenue in 2025 was $3 million and $1 million, respectively. On December 31, 2025, the lease asset receivable and the corresponding deferred inflow of resources were approximately $53 million and $44 million, respectively. The total amount of lease revenue and interest revenue in 2024 was $2 million and $1 million, respectively. On December 31, 2024, the lease asset receivable and the corresponding deferred inflow of resources were approximately $51 million and $43 million, respectively.

Presented below is a summary of future receipts that are included in the measurement of the lease receivable, showing principal and interest separately, for each of the five subsequent fiscal years and in five-year increments thereafter:

Year	Principal	Interest	Total
		(in millions)	
2026	$ 2	$ 1	$ 3
2027	2	1	3
2028	2	1	3
2029	2	1	3
2030	2	1	3
2031-35	11	5	16
2036-40	14	4	18
2041-45	18	1	19
Total	$ 53	$ 15	$ 68

(d) Subscription-based information Technology Arrangements (“SBITA”)

On December 31, 2025, the right-to-use subscription assets amounted to approximately $96 million, net of $34 million of accumulated amortization, included in capital assets, with a corresponding subscription liability of $47 million on the Consolidated Statements of Net Position. On December 31, 2024, the right-to-use

subscription assets amounted to approximately $81 million, net of $22 million of accumulated amortization, included in capital assets, with a corresponding subscription liability of $33 million on the Consolidated Statements of Net Position.

Year	Principal	Interest	Total
		(in millions)	
2026	$ 17	$ 1	$ 18
2027	12	1	13
2028	10	1	11
2029	5	-	5
2030	1	-	1
2031-35	2	-	2
Total	$ 47	$ 3	$ 50

(e) Relicensing of Niagara - New York State Office of Parks, Recreation and Historic Preservation

FERC issued the Authority a new 50-year license for the Niagara Power Project effective September 1, 2007. In doing so, FERC approved six relicensing settlement agreements entered by the Authority with various public and private entities. The Authority estimated that the capital cost associated with the relicensing of the Niagara project would be approximately $495 million of which approximately $486 million has been disbursed. This estimate does not include the value of the power allocations and operation and maintenance expenses associated with several habitat and recreational elements of the settlement agreements. As of December 31, 2025, the balance in the recorded liability associated with Niagara relicensing on the consolidated statement of net position is $187 million ($12 million in current and $175 million in other noncurrent liabilities). In addition to internally generated funds, the Authority had issued additional debt obligations to fund, among other things, Niagara relicensing costs. The costs associated with the relicensing of the Niagara project, including the debt issued, therefore, were incorporated into the cost-based rates of the project.

The Authority executed the Relicensing Settlement Agreement Addressing New License Terms and Conditions (“Settlement Agreement”) entered into by several parties to the relicensing of the Niagara Project, including The New York State Office of Parks, Recreation and Historic Preservation (“OPRHP”). The Settlement Agreement provides, among other things, for the establishment of a Relicensing Settlement Agreement State Parks Greenway Fund, which is to be funded by the Authority in the amount of $3 million per year to OPRHP for the term of the 50-year license. In 2012 and 2017, OPRHP requested that the Authority accelerate such payments by making two lump sum payments of approximately $25 million each to pay for authorized projects. To make the lump sum payments, the Authority issued (a) $25 million in Subordinated Notes, Series 2012 and (b) $25 million in Subordinated Notes, Series 2017. The proceeds of those subordinated note issuances were made available to OPRHP. On May 22, 2024, the Authority defeased $15 million Subordinated Notes Series 2012, and $20 million Subordinated Notes Series 2017. As of December 31, 2025, and December 31, 2024, there were no Subordinated Notes outstanding. In addition to the funds that were accelerated with the proceeds from the Subordinate Notes, the Authority made a $2 million payment to the OPRHP State Parks Greenway Fund in 2025 and 2024.

(f) St. Lawrence-FDR Project Relicensing – Local Task Force Agreement

In 2003, FERC approved a Comprehensive Relicensing Settlement Agreement ("Relicensing Agreement") reached by the Authority and numerous parties and issued the Authority a new 50-year license for the St. Lawrence-FDR Project ("St. Lawrence-FDR License").

The St. Lawrence-FDR Power Project No. 2000 Relicensing Agreement ("LGTFSA") between the Authority and the Local Government Task Force ("LGTF") provided for a review of the LGTFSA every 10 years to discuss issues not contemplated at the time of relicensing in 2003. The first such review commenced in December 2013. The Authority and the LGTF entered into an agreement in 2015 in which the Authority agreed to commit and the Authority's Trustees authorized up to $45 million over 10 years for certain actions, including to: (1) fund an economic development strategic marketing study (the "Marketing Study"); (2) temporarily reduce electricity costs for certain farms and businesses (the "Discount Program"); (3) initiate an energy efficiency and renewable energy program for the LGTF communities; and (4) enhance certain recreational facilities in the LGTF communities.

In 2016, the Authority's Trustees approved a proposal to terminate the Discount Program early and repurpose funding to be used to support a collaborative marketing effort between the Authority and North Country communities through the St. Lawrence County Economic Development Study Advisory Board created in connection with the Marketing Study at the rate of $2 million/year for five years ($10 million total) commencing in 2017. In 2017, the Authority's Trustees approved: (1) a new temporary business incentive program consisting of a monetary discount or rebate that would be payable to eligible private business applicants who agree to establish new business operations in certain North Country counties ("Business Incentive Discount Program"); and (2) the repurposing of funds previously approved for the marketing effort to include funding for the Business Incentive Discount Program. Funding repurposed for the marketing effort, including the Business Incentive Discount Program, would not exceed a total of $10 million.

In 2024, the Authority and LGTF negotiated the second 10-year review consistent with the settlement agreement. The Trustees approved the second 10-year review agreement with the local communities in March 2025. Minimal dollars have been spent as yet to implement the new agreement as much of the work requires design and engineering efforts. The funds will support recreation improvements, including trails enhancements, electric vehicle chargers, energy efficiency projects and boat launch improvements. The expected cost of the agreement is $20 million. Additionally, the Trustees approved new funds to address new work for habitat improvement projects, shoreline stabilization projects and support for State Parks recreation facilities.

As of December 31, 2025, the Authority has spent approximately $42 million of the $45 million authorized by the Trustees for the purpose of implementing the commitments in the first LGTF 10-Year Review Agreement. As of December 31, 2025, the balance in the recorded liability associated with the St. Lawrence-FDR Project relicensing on the consolidated statement of net position is $30 million ($3 million in current and $27 million in other noncurrent liabilities).

(g) Relicensing of Blenheim-Gilboa Pumped Storage Power Project

FERC issued a new 50-year operating license, effective May 1, 2019, to NYPA for the Blenheim-Gilboa Pumped Storage Power Project (Blenheim-Gilboa). In 2019, the Authority's Trustees accepted the new license and approved the settlement package with state and federal resource agencies, the towns of Gilboa and Blenheim, and Schoharie County. The Authority's Trustees also authorized $37 million in capital expenditures for the period 2019-2069 for all compliance, implementation, and settlement activities. The Authority has spent $12 million through December 31, 2025. The Authority has established a Recreation Fund in the amount of $6 million of which the entire amount has been disbursed and an Ecological Fund in the amount of $2 million (total commitment under the settlement package is $4 million), of which $2 million

has been disbursed. As of December 31, 2025, the balance in the recorded liability associated with the Blenheim-Gilboa relicensing on the consolidated statement of net position is $17 million ($2 million in current and $15 million in other noncurrent liabilities).

(h) Construction Contracts

Estimated costs to be incurred on outstanding contracts in connection with the Authority's construction programs aggregate to approximately $849 million at December 31, 2025.

(20) Other Developments

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. As of December 31, 2025, the Authority has spent approximately $597 million: $538 million in capital and $59 million in non-recurring O&M investment. As of December 31, 2024, the Authority has spent approximately $574 million: $515 million in capital and $59 million in non-recurring O&M investment.

The Transmission LEM Program encompasses transmission assets in the Central, Northern and Western regions of New York and will include work to be done such as 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. The Transmission LEM Program will be financed with internal funds and proceeds from debt obligations issued by the Authority. The work on the Transmission LEM Program is underway and is expected to continue through 2033.

Lewiston Pump Generating Plant Life Extension and Modernization (LPGP LEM) Program

The Authority's Trustees approved a $460 million Life Extension and Modernization Program at the Niagara Power Project's Lewiston Pump-Generating Plant, (Lewiston LEM Program), of which approximately $402 million has been spent as of December 31, 2025, and $401 million has been spent as of December 31, 2024. 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 will be 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 the Robert Moses Niagara Power Plant's 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 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 December 31, 2025, and 2024, the Authority has spent approximately $228 million and $197 million, respectively.

Workplace of the Future

In December 2024, the Authority's Trustees approved a $280 million project to develop a new 300,000+ square foot office building at Hamilton Green Property in White Plains, NY, replacing the Authority's facility at 123 Main St. The project is expected to be completed by the end of the fourth quarter of 2027. As of December 31, 2025, the Authority has spent $183 million on the new office building.

Required Supplementary Information
(Unaudited)

New York Power Authority

(A Component Unit of the State of New York)

Required Supplementary Information

(Unaudited)

Schedule of Changes in the New York Power Authority's Net OPEB Asset and Related Ratios ($ in millions)

	June 30,						December 31,		
	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service cost	$ 12	$ 14	$ 14	$ 14	$ 20	$ 6	$ 13	$ 12	$ 12
Interest	43	45	43	43	42	18	39	38	36
Change of benefit terms	-	1	-	4	(2)	–	-	-	-
Differences between expected and actual experience	(3)	(6)	(1)	8	(1)	(2)	2	-	-
Change of assumptions	83	(42)	-	(42)	(153)	(3)	(72)	-	-
Canal transfer to the Power Authority OPEB Plan	-	-	-	-	218	-	-	-	-
Benefit payments	(29)	(30)	(30)	(32)	(34)	(12)	(25)	(25)	(22)
Net change in total OPEB liability	106	(18)	26	(5)	90	7	(43)	25	26
Total OPEB liability – beginning	617	635	609	614	524	517	560	535	509
Total OPEB liability – ending	$ 723	$ 617	$ 635	$ 609	$ 614	$ 524	$ 517	$ 560	$ 535
Plan Fiduciary Net Position									
Contributions – employer	$ 29	$ 30	$ 29	$ 32	$ 34	$ 12	$ 25	$ 25	$ 22
Net investment income	100	87	74	(93)	136	(36)	122	(35)	88
Benefit payments	(29)	(30)	(30)	(32)	(34)	(12)	(25)	(25)	(22)
Administrative expense	(7)	(4)	(9)	(9)	-	(1)	(2)	(2)	(2)
Net change in plan fiduciary net position	93	83	64	(102)	136	(37)	120	(37)	86
Plan fiduciary net position – beginning	830	747	683	785	649	686	566	603	517
Plan fiduciary net position – ending	$ 923	$ 830	$ 747	$ 683	$ 785	$ 649	$ 686	$ 566	$ 603
Net OPEB (asset) – ending	$ (200)	$ (213)	$ (112)	$ (74)	$ (171)	$ (125)	$ (169)	$ (6)	$ (68)
Plan fiduciary net position as a percentage of the total OPEB liability	128%	135%	118%	112%	128%	124%	133%	101%	113%
Covered-employee payroll	$ 297	$ 297	$ 257	$ 257	$ 227	$ 200	$ 200	$ 177	$ 177
Net OPEB (asset) as a percentage of covered-employee payroll	(67%)	(72%)	(44%)	(29%)	(75%)	(63%)	(85%)	(3%)	(38%)

Notes to schedule:

The amounts presented for the Authority's 2025 net OPEB (asset) were measured as of June 30, 2025, based on valuation results as of December 31, 2023, for NYPA's plan and May 1, 2024, for the Canal plan, projected to the measurement date on a no gain/loss basis.
This schedule is intended to present 10 years of data. Additional year will be presented as applicable.
The 2021 amount includes the Canal Corporation transfer to NYPA OPEB Plan (merged plan).

New York Power Authority

(A Component Unit of the State of New York)

Required Supplementary Information

(Unaudited)

Schedule of the New York Power Authority's OPEB Contributions ($ in millions)

Schedule of New York Power Authority's OPEB Contributions ($ in millions, except percentages)

Measurement Date	(a) Contractually/ Actuarially determined contribution	(b) Contributions made	Contribution deficiency/ (excess) (a) - (b)	(c) Covered employee payroll	Contributions as a percent of covered payroll column (b) ÷ (c)
June 30, 2025	$ 29	$ 29	$ -	$ 297	10%
June 30, 2024	30	30	-	297	10%
June 30, 2023	29	29	-	257	11%
June 30, 2022	32	32	-	257	12%
June 30, 2021	34	34	-	227	15%
June 30, 2020	12	12	-	200	6%
December 31, 2019	25	25	-	200	13%
December 31, 2018	25	25	-	177	14%
December 31, 2017	40	22	18	177	12%
December 31, 2016	39	24	15	161	15%

Notes to schedule:

Contributions: NYPA made contributions on a pay as you go basis in 2025 and did not contribute any amount beyond the contractually / actuarially required amounts.

Valuation date: December 31, 2023, for NYPA; May 1, 2024, for Canal

Methods and assumptions used to determine liability

Actuarial cost method: Entry Age Normal, Level Percent of Salary

Amortization period: Five-year period for differences between the expected earnings on plan investments and actual returns. Differences in assumptions and experience from expected are recognized over the average remaining service lives of all participants in the plan. Changes in benefit terms are recognized immediately.

Asset Valuation: Market Value

Per Capita Claims: NYPA - Developed using 2024 re-forecasted funding rates which were calculated using NYPA claims experience from January 1, 2022 through June 30, 2024. Canal - Developed using Canal claims experience from 2021 through 2023.

Salary increases: Varies by service, average of 8.80 percent for first year of service, 4.95 percent for 5 years of service, 4.18 percent for 10 years of service, 3.63 percent for 15 years of service, and 3.30 percent for 20 years or more of service

Participation rates: Assumed 100% of future retirees who meet the eligibility requirements will participate in the OPEB plan.

Discount rate: 6.0%

Mortality: The General Pub-2010 headcount weighted tables were used for active employees and healthy retirees and dependents, while the corresponding Contingent Survivor mortality tables were used for surviving spouses and the corresponding Disabled Retiree mortality tables were used for disabled participants. To project mortality improvement for years after 2010, the MP-2021 Projection Scale is applied on a fully- generational basis to the base rates.

New York Power Authority

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Required Supplementary Information

(Unaudited)

Schedule of Investment Returns for the New York Power Authority OPEB Trust

Measurement Date	Annual money-weighted rate of return, net of investment expense
June 30, 2025	12.00%
June 30, 2024	11.40%
June 30, 2023	10.30%
June 30, 2022	(11.86%)
June 30, 2021	21.00%
June 30, 2020	(5.30%)
December 31, 2019	21.40%
December 31, 2018	(6.30%)
December 31, 2017	16.70%
December 31, 2016	7.00%

Notes to schedule:

Average rate of return over ten-year period was 7.6%.
The Authority elected to change the reporting period under GAS No. 74 and No. 75 from January 1 through December 31 to July 1 through June 30 effective 2021.

New York Power Authority

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Required Supplementary Information

(Unaudited)

Schedules Relating to the Employees' Retirement System Pension Plan ($ in millions, except percentages)

Schedule of Proportionate Share of the Net Pension Liability

As of March 31,	Proportion of the Net Pension Liability (Asset) Percentage	Proportionate Share of the Net Pension Liability (Asset)	Covered Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a percentage of Covered Payroll	Plan Fiduciary Net Position as a percentage of the Total Pension Liability
2025	0.83%	$ 143	$ 286	50.0%	93.1%
2024	0.81%	120	268	44.8%	93.9%
2023	0.81%	175	252	69.4%	90.8%
2022	(0.83%)	(68)	242	(28.1%)	103.7%
2021	0.76%	1	233	0.4%	99.9%
2020	0.77%	203	219	92.7%	86.4%
2019	0.76%	53	214	24.8%	96.3%
2018	0.72%	23	205	11.2%	98.2%
2017	0.72%	67	193	34.7%	94.7%
2016	0.60%	96	166	57.8%	90.7%

Schedule of Contributions

Year Ending December 31,	Actuarially Required Contribution	Actual Contribution	Contribution (Excess) Deficiency	Covered Employee Payroll	Contribution as a percentage of Covered Payroll
2025	$ 45	$ 45	-	$ 286	16%
2024	39	39	-	268	15%
2023	32	32	-	252	13%
2022	27	27	-	242	11%
2021	36	36	-	233	15%
2020	30	30	-	219	14%
2019	29	29	-	214	14%
2018	28	28	-	205	14%
2017	28	28	-	193	15%
2016	24	24	-	166	14%

New York Power Authority

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Supplementary Information

(Unaudited)

Detailed Financials

(a) Statement of Net Position (In millions)

	NYPA		SFP		Captive		NYREDHC		Total	
	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24
Assets and Deferred Outflows										
Current assets:										
Cash and cash equivalents										
Unrestricted	$ 222	$ 270	$ 96	$ 51	4	$ 10	$ 59	$ 4	$ 381	$ 335
Restricted	5	8	-	-	-	-	-	-	5	8
Capital Fund	37	82	-	-	-	-	-	-	37	82
Total Cash and cash equivalents	264	360	96	51	4	10	59	4	423	425
Investment in securities										
Unrestricted	712	852	24	117	127	110	61	94	924	1,173
Restricted	13	13	-	-	-	-	-	-	13	13
Commited	304	453	-	-	-	-	-	-	304	453
Total Investment in securities	1,029	1,318	24	117	127	110	61	94	1,241	1,639
Receivables - customers	474	379	4	5	7	-	-	-	485	384
Materials and supplies:										
Plant and general	85	80	-	-	-	-	-	-	85	80
Fuel	42	51	-	-	-	-	-	-	42	51
Miscellaneous receivables and other	136	119	37	1	7	2	5	2	185	124
Total current assets	2,030	2,307	161	174	145	122	125	100	2,461	2,703
Capital assets:										
Assets, not depreciated	1,405	897	71	465	-	-	7	-	1,483	1,362
Assets, net of accumulated depreciation	4,910	4,890	1,528	1,046	-	-	4	-	6,442	5,936
Total capital assets	6,315	5,787	1,599	1,511	-	-	11	-	7,925	7,298
Other long-term assets	1,020	1,064	23	35	-	-	5	-	1,048	1,099
Total noncurrent assets	7,335	6,851	1,622	1,546	-	-	16	-	8,973	8,397
Total assets	9,365	9,158	1,783	1,720	145	122	141	100	11,434	11,100
Deferred outflows of resources:										
Asset retirement obligation	26	17	-	-	-	-	-	-	26	17
Accumulated decrease in fair value of derivatives	41	20	-	-	-	-	-	-	41	20
Pensions	103	128	-	-	-	-	-	-	103	128
Postemployment benefits other than pensions	113	82	-	-	-	-	-	-	113	82
Total deferred outflows of resources	283	247	-	-	-	-	-	-	283	247
Total assets and deferred outflows of resources	$ 9,648	$ 9,405	$ 1,783	$ 1,720	$ 145	$ 122	$ 141	$ 100	$ 11,717	$ 11,347

See accompanying independent auditors' report

New York Power Authority

(A Component Unit of the State of New York)

Supplementary Information

(Unaudited)

	NYPA		SFP		Captive		NYREDHC		Total	
	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24
Liabilities, Deferred Inflows and Net Position										
Current liabilities:										
Accounts Payable and accrued liabilities	$ 1,048	$ 841	$ 8	$ 11	$ 7	$ 5	$ 32	$ -	$ 1,095	$ 857
Short-term debt	256	438	-	-	-	-	-	-	256	438
Long-term debt due within one year	-	-	34	20	-	-	-	-	34	20
Total current liabilities	1,304	1,279	42	31	7	5	32	-	1,385	1,315
Noncurrent liabilities:										
Long-term debt:										
Senior:										
Revenue bonds	1,799	1,805	-	-	-	-	-	-	1,799	1,805
Separate Revenue Bond Obligation:										
SFP Bonds 2022	-	-	591	617	-	-	-	-	591	617
SFP Bonds 2023	-	-	738	750	-	-	-	-	738	750
Total long-term debt	1,799	1,805	1,329	1,367	-	-	-	-	3,128	3,172
Other noncurrent liabilities:										
Nuclear fuel disposal	269	258	-	-	-	-	-	-	269	258
Relicensing	218	223	-	-	-	-	-	-	218	223
Other long-term liabilities	416	357	1	-	-	-	5	-	422	357
Total other noncurrent liabilities	903	838	1	-	-	-	5	-	909	838
Total noncurrent liabilities	2,702	2,643	1,330	1,367	-	-	5	-	4,037	4,010
Total liabilities	4,006	3,922	1,372	1,398	7	5	37	-	5,422	5,325
Deferred inflows of resources:										
Unearned revenue	24	27	-	-	-	-	-	-	24	27
Cost of removal obligations	525	476	-	-	-	-	-	-	525	476
Pensions	5	66	-	-	-	-	-	-	5	66
Lease revenue	44	43	-	-	-	-	-	-	44	43
Postemployment benefits other than pensions and others	181	176	-	-	-	-	-	-	181	176
Total deferred inflows of resources	779	788	-	-	-	-	-	-	779	788
Net Position:										
Net investment in capital assets	3,951	3,463	-	-	-	-	6	-	3,957	3,463
Unrestricted	912	1,218	411	322	138	117	98	100	1,559	1,757
Restricted	-	14	-	-	-	-	-	-	0	14
Total net position	4,863	4,695	411	322	138	117	104	100	5,516	5,234
Total liabilities, deferred inflows of resources and net position	$ 9,648	$ 9,405	$ 1,783	$ 1,720	$ 145	$ 122	$ 141	$ 100	$ 11,717	$ 11,347

See accompanying independent auditors' report

Continued

New York Power Authority

(A Component Unit of the State of New York)

Supplementary Information

(Unaudited)

(b) Statement of Revenues, Expenses and Changes in Net Position (In millions)

	NYPA		SFP		Captive		NYREDHC		Total	
	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24
Operating revenues:										
Power sales	$ 2,496	$ 2,060	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,496	$ 2,060
Transmission	442	317	214	192	-	-	-	-	656	509
Transportation and delivery	903	810	-	-	-	-	-	-	903	810
Other	70	50	-	-	13	7	-	-	83	57
Total operating revenues	3,911	3,237	214	192	13	7	-	-	4,138	3,436
Operating expenses:										
Purchased power	962	678	-	-	-	-	-	-	962	678
Fuel oil and gas	277	214	-	-	-	-	-	-	277	214
Transportation and delivery	1,288	1,174	-	-	-	-	-	-	1,288	1,174
Operations and maintenance	857	744	49	27	-	-	2	-	908	771
Depreciation and amortization	345	339	23	14	-	-	-	-	368	353
Total operating expenses	3,729	3,149	72	41	-	-	2	-	3,803	3,190
Operating income (loss)	182	88	142	151	13	7	(2)	-	335	246
Nonoperating revenues, gains (losses) and (expenses):										
Investment income	82	51	7	17	9	4	6	-	104	72
Interest on long-term debt	(80)	(71)	(63)	(64)	-	-	-	-	(143)	(135)
Interest - other	(25)	(31)	3	3	-	-	-	-	(22)	(28)
Interest capitalized	66	52	-	-	-	-	-	-	66	52
Other	(58)	(48)	-	-	-	-	-	-	(58)	(48)
Total nonoperating losses and expenses	(15)	(47)	(53)	(44)	9	4	6	-	(53)	(87)
Net income and change in net position	$ 167	$ 41	$ 89	$ 107	$ 22	$ 11	$ 4	$ -	$ 282	$ 159

See accompanying independent auditors' report

New York Power Authority

(A Component Unit of the State of New York)

Supplementary Information

(Unaudited)

(c) Statement of Cash Flows (In millions)

	NYPA		SFP		Captive		NYREDHC		Total	
	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24
Cash flows from operating activities:										
Customer sales	3,807	3,067	219	149	1	11	-	-	4,027	3,227
Disbursements for:										
Purchased power	(957)	(685)	-	-	-	-	-	-	(957)	(685)
Fuel oil and gas	(260)	(200)	-	-	-	-	-	-	(260)	(200)
Transportation and delivery	(1,288)	(1,167)	-	-	-	-	-	-	(1,288)	(1,167)
Operations and maintenance	(789)	(736)	(49)	(27)	-	-	-	-	(838)	(763)
Net cash provided by operating activities	513	279	170	122	1	11	-	-	684	412
Cash flows from capital and related financing activities:										
Gross additions to capital assets	(723)	(307)	(139)	(369)	-	-	(10)	-	(872)	(676)
Proceeds from issuance of Series 2023 Green Bonds	-	513	-	-	-	-	-	-	-	513
Issuance costs paid on debt	-	(5)	-	-	-	-	-	-	-	(5)
Repayment/defeasance of bonds	-	(275)	-	-	-	-	-	-	-	(275)
Repayment of notes/bonds	-	(16)	(20)	(16)	-	-	-	-	(20)	(32)
Issuance of commercial paper	25	-	-	-	-	-	-	-	25	-
Intercompany line of credit	(25)	-	-	-	-	-	25	-	-	-
Investment of Subsidiary	-	(4)	-	-	-	-	-	4	-	-
Interest paid, net	(71)	(55)	(63)	(64)	-	-	-	-	(134)	(119)
Net cash (used in) provide by capital and related financing activities	(794)	(149)	(222)	(449)	-	-	15	4	(1,001)	(594)
Cash flows from noncapital-related financing activities:										
Energy conservation program payments received from participants	498	255	-	-	-	-	-	-	498	255
Energy conservation program costs	(486)	(352)	-	-	-	-	-	-	(486)	(352)
Proceeds from issuance of commercial paper	-	273	-	-	-	-	-	-	-	273
Repayment of commercial paper	(207)	(62)	-	-	-	-	-	-	(207)	(62)
Interest paid on commercial paper	(11)	(13)	-	-	-	-	-	-	(11)	(13)
Margin Deposits with Brokers	1	16	-	-	-	-	-	-	1	16
Other	(4)	10	-	-	-	-	-	-	(4)	10
Net cash (used in) provide by noncapital-related financing activities	(209)	127	-	-	-	-	-	-	(209)	127
Cash flows from investing activities:										
Earnings received on investments	78	75	4	18	7	6	5	-	94	99
Purchase of investment securities	(1,839)	(2,299)	(24)	(9)	(24)	(39)	-	-	(1,887)	(2,347)
Maturities/sale of investment securities	2,155	2,012	117	235	10	1	35	-	2,317	2,248
Net cash provided by (used in) investing activities	394	(212)	97	244	(7)	(32)	40	-	524	-
Net (decrease) increase in cash	(96)	45	45	(83)	(6)	(21)	55	4	(2)	(55)
Cash and cash equivalents, January 1	360	315	51	134	10	31	4	-	425	480
Cash and cash equivalents, December 31	264	360	96	51	4	10	59	4	423	425
Reconciliation to net cash provided by operating activities:										
Operating income	182	88	142	151	13	7	(2)	-	335	246
Adjustments to reconcile operating income to net cash provided by operating activities:										
Change in assets, deferred outflows, liabilities, and deferred inflows:										
Provision for depreciation and amortization	345	339	23	14	-	-	-	-	368	353
Net increase in miscellaneous prepayments and other	(142)	(52)	-	-	-	-	-	-	(142)	(52)
Net increase (decrease) in receivables and materials and supplies	(100)	(76)	5	(43)	(12)	4	-	-	(107)	(115)
Net (decrease) increase in accounts payable/accrued liabilities and other	228	(20)	-	-	-	-	2	-	230	(20)
Net cash provided by operating activities	513	279	170	122	1	11	-	-	684	412

See accompanying independent auditors' report