



NY Power
Authority

Canal
Corporation

— 2024

Integrated Report

POWERING A CLEAN ENERGY FUTURE AND
HELPING COMMUNITIES THRIVE

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INTRODUCTION

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A Message From
the Chairman

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A Message From
the President and CEO

A Message From **the Chairman**

As we navigate the dynamic landscapes of energy and climate change, the New York Power Authority (NYPA) remains steadfast in its commitment to leading New York State's ambitious decarbonization efforts. Our intent is to drive the state's transition to a low-carbon future while ensuring this transformation is just, equitable and inclusive.

New York State has some of the most aggressive decarbonization goals in the nation, and in 2024, we made significant strides in advancing them.

In March 2025, the Board of Trustees approved the refresh of NYPA's strategic plan, VISION2030 Renewed, empowering NYPA to shape a sustainable future by increasing renewable energy sources in New York State, modernizing transmission, deepening customer partnerships and invigorating the New York State Canal System.

NYPA's expanded authority, granted by Gov. Kathy Hochul and the state Legislature in 2023, enables us to accelerate renewable energy development and financially support clean energy workforce training. During 2024, NYPA pre-qualified 89 renewable energy companies and investors to partner with us on this journey.

Under the expanded authority, the Board of Trustees approved funding of more than \$20.6 million for NYPA's Clean Energy Workforce Development and Training Investment Initiative, beginning in May 2024, in collaboration with the New York State Department of Labor.

Our workforce development initiatives ensure New York State has the skilled personnel to add renewable generation. Coupled with ongoing upgrades and expansion of NYPA's transmission network, our assets will remain resilient and deliver more clean power to meet growing demand while safely decarbonizing energy sources.

Innovation remains the cornerstone of NYPA's strategy. Through significant capital investments, such as the Advanced Grid Innovation Laboratory for Energy, NYPA is providing research and development tools to transform New York State's energy infrastructure.

The issuance of \$450 million in Series 2024 A Revenue Bonds (Green Bonds) in September 2024 underscores NYPA's financial commitment to sustainable development, supporting its capital plan, maintaining asset integrity and investing in infrastructure projects.

NYPA ensures that the benefits of our operations are equitably distributed. This includes electrifying public transit, reducing emissions in densely populated areas and managing New York's waterways responsibly through initiatives that promote recreational tourism and support local economies while preserving natural resources.

NYPA is dedicated to bringing the economic benefits and opportunities of the energy transition to disadvantaged communities across New York State. NYPA is proud to invest in its Supplier Diversity Program, fostering partnerships with minority- and women-owned businesses that strengthen its supply chain and ensure its economic impact reaches all communities.

The just transition is about more than shifting away from fossil fuels; it is about increasing resilience, safely meeting rising demand, contributing to energy security and contributing to a sustainable, inclusive and prosperous future for all New Yorkers.

As we reflect on our accomplishments in 2024 and look to the future, we are inspired by the progress and the possibilities that lie ahead.

Sincerely,



John R. Koelmel
Chairman



A Message From the President & CEO

Reflecting on the past year, NYPA continues to mark significant milestones in our long history of service to New York State and its people. Our commitment to providing clean, reliable and affordable energy has never been more critical as we work to advance the state's ambitious clean energy goals.

NYPA's expansive role in New York's energy infrastructure remains pivotal, guided by the leadership of Gov. Kathy Hochul and the Legislature. In 2024, we made substantial progress in implementing the new responsibilities conferred upon us in the 2023-24 Enacted State Budget, reinforcing our dedication to advancing the state's clean energy, environmental and social priorities.

We are at the forefront of developing new renewable power projects and implementing the innovative Renewable Energy Access and Community Help (REACH) program. Additionally, our commitment to workforce training in the clean energy sector ensures that current and future generations are prepared to thrive in a decarbonized economy.

Our transmission projects, such as Central East Energy Connect and Smart Path Connect, continue to expand NYPA's asset base and enhance the reliability and resilience of New York's energy grid. In 2024, we celebrated the one-year anniversary of the Central East Energy Connect and Smart Path projects, marking significant advancements in the state's largest transmission overhaul in decades.

NYPA's determination to decarbonize New York's energy system is a technical challenge and a moral imperative. The investment in our legacy hydropower facilities and the launch of large-scale renewable generation projects highlight our proactive approach to supporting the state's decarbonization and clean energy goals.

Our renewable generation strategy has been shaped by strong public engagement processes. In October 2024, NYPA published a draft Renewables Strategic Plan and held a robust public comment period. This extensive stakeholder engagement,

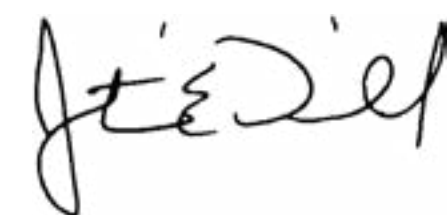
which included 12 public hearings across the state, including one virtual session and input from more than 5,000 people, has ensured that our plans are informed by the communities we serve.

Our subsidiary, the New York State Canal Corporation, continues to be a vital economic driver. With the support of a \$50 million capital investment from the state's Fiscal Year 2025 Enacted Budget, we are ensuring the Canal System remains safe and continues to benefit the communities along its banks. Celebrating the bicentennial of the Erie Canal this year, we are reminded of the historical significance and ongoing importance of this critical infrastructure.

NYPA remains committed to our core mission of providing clean, reliable and affordable energy. We are poised to deliver on this vision and bring lasting benefits to all who live and work in New York State.

I invite you to explore this report to learn more about the progress we are making towards a cleaner, greener and more equitable energy future.

Sincerely,



Justin E. Driscoll

President & Chief Executive Officer



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ABOUT US

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New York State
Canal Corporation

The Authority **at a Glance**

The Power Authority of the State of New York, commonly referred to as the New York Power Authority, 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 1,550 circuit-miles of transmission lines

6,000 megawatts (MW) approximately 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 165 miles of the 424-mile Canalway Trail

Operations

25% of total energy generated in New York State 36% of carbon-free energy generated in New York State²

¹Canals became a subsidiary of NYPA in 2017.
²NYPA’s carbon-free 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.
³Includes deferred outflows.

Customers

More than 1,100 power and energy services customers

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

Financials

\$3.44B operating revenue

\$11.35B total assets³



New York Power Authority

Through customer partnerships, innovative energy solutions and the responsible supply of affordable, clean and reliable electricity, NYPA is leading the transition to a carbon-free, economically vibrant New York State. NYPA’s workforce is committed to problem solving for public good, supported by a culture of diversity that fosters innovation and sustainability.

NYPA 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 dual 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 state financial credit.¹ In 2024, 83% 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, decarbonization and electrification goals. Our low-cost, clean hydropower promotes economic development and supports more than 450,000 jobs in New York State.

We continue to make strides in the four areas of responsibility identified in the 2023–24 Enacted State Budget, referred to commonly as NYPA’s [expanded authority](#), one of which grants us the authority to develop, own and operate renewable energy generation projects to help meet the state’s clean energy targets. This work will build on our efforts of the past

decade to modernize our hydropower projects and ensure the state’s continuous supply of carbon-free electricity as well as 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 2024 [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 projects under the expanded authority. NYRED can develop new renewable generation while isolating NYPA from certain liabilities associated with renewables development.

¹Canals receives state funding (see New York State Canal Corporation section on page [9](#)).

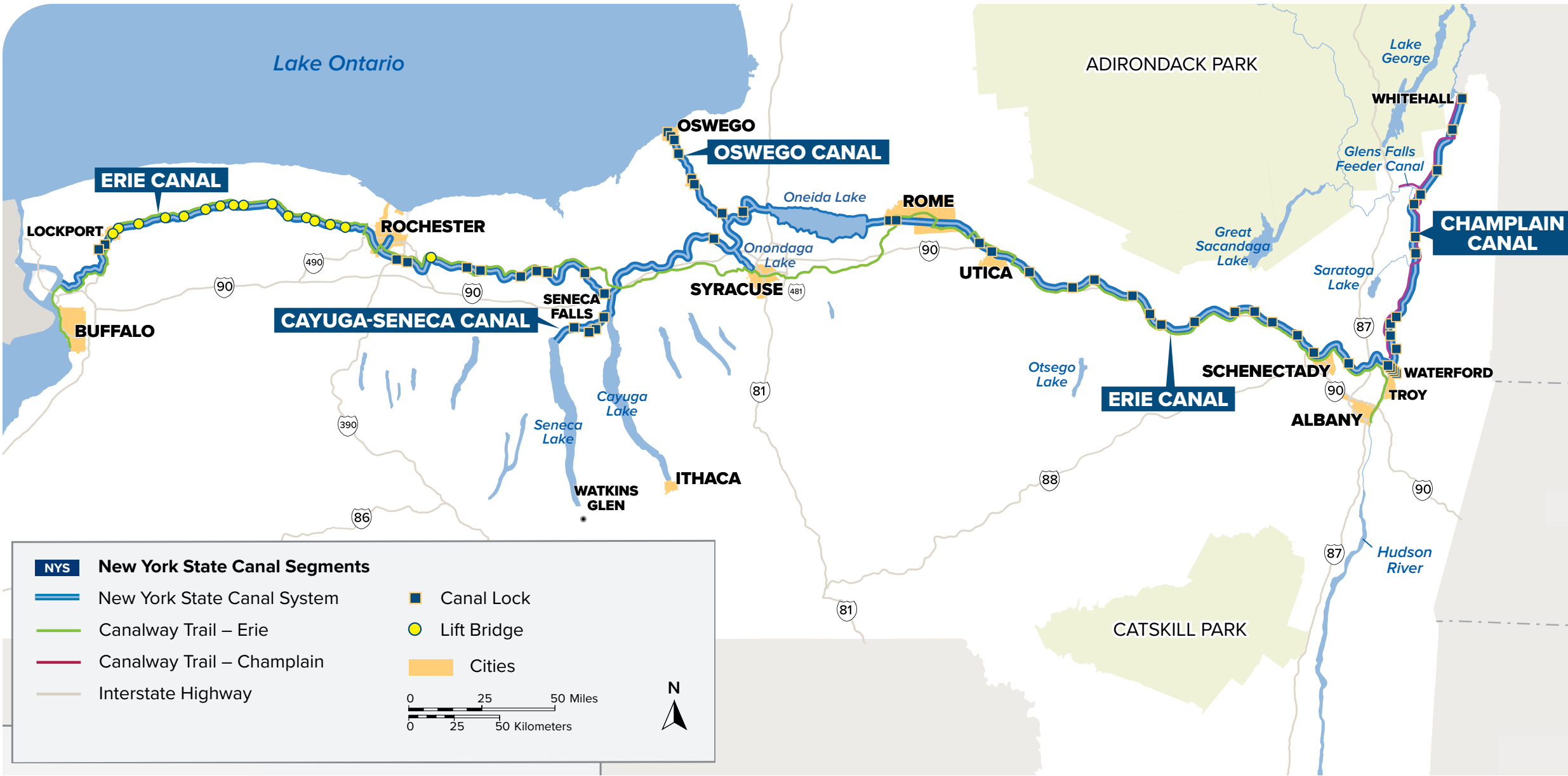


New York State Canal Corporation

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 two pedestrian 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.

2024 by the Numbers

Preserve Hydropower and Decarbonize Electricity Generation

83%	\$1.398B	22.6M
of electricity generated by hydropower and pumped storage facilities	year-end net book value of hydropower generation assets, including modernization	net megawatt hours (MWh) of hydropower generated
1.97M	90,736	7.48M
metric tons carbon dioxide equivalent (CO ₂ e) Scope 1 emissions ^{1,2}	metric tons CO ₂ e market-based Scope 2 emissions ¹	metric tons CO ₂ e reported Scope 3 emissions ^{1,3}

Revitalize the Canals

8,516	3.6M	40,640
visitors for tourism, recreation and education (excluding trail users)	number of trail users	metric tons commercial cargo transported
74,212	\$21.5M	424
vessels in canal traffic/lock-throughs	capital project investment	miles of Canalway Trail

Lead Transmission Expansion

97.6%	24	\$2.49B
transmission system reliability	transmission line forced outage hours	year-end net book value of transmission assets, including modernization and expansion

Partner With Customers and the State

32%	\$55.5B	450K+
savings across all power supply customers ⁴	in cumulative customer capital investment commitments	in cumulative customer job creation/retention commitments
\$205M	42,906	26,296
in energy-efficiency projects implemented at customer facilities	MWh conserved through customer energy-efficiency projects	metric tons CO ₂ e avoided through customer energy-efficiency projects

Supporting Our People and Communities

165	43%	\$121.7M
miles of Canalway Trail owned by Canal Corporation	of total spend with local suppliers	spent with minority- and women-owned businesses
41.2%	29.4%	125,600
female representation in executive leadership	people of color representation in executive leadership	hours of training provided to employees ⁵ (regulatory, skill and developmental)

For more on NYPA’s strategic priorities and performance, refer to [Performance & Outlook](#).

¹Scopes 1, 2 and 3 emissions: The Climate Leadership and Community Protection Act 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 \[NYS DEC\] 2024 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 emissions and GHG intensities, 2024) thereon.

²Scope 1 emissions: The New York Independent System Operator (NYISO) controls the dispatch of New York State generating assets. NYPA's Scope 1 emissions fluctuate as our generating assets are selected for dispatch by the NYISO.

³Reported Scope 3 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).

⁴Savings 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 2024 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, 2024, to Dec. 31, 2024. Sections 1–6 of the report apply the International Integrated Reporting Framework of the IFRS Foundation (<IR> Framework). These sections aim to address the material matters identified in the Authority’s 2024 materiality assessment. Section 7 of the report presents the Authority’s 2024 audited financial statements.

Basis of Preparation for Sections 1 to 6

The Authority’s 2024 Integrated Report applies the latest version of the <IR> Framework issued in January 2021 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 2024 calendar year.

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

Non-financial and 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 Authority’s Executive Management Committee (EMC). The Authority has obtained independent limited assurance for Scopes 1, 2, certain disclosed Scope 3 greenhouse gas emissions and GHG intensities data but other nonfinancial information is not subject to audit or assurance 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: Forward-looking statements in this report, including the messages from the President and CEO and the Chairman, 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, 2024, 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 2024 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 2024 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 to 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.

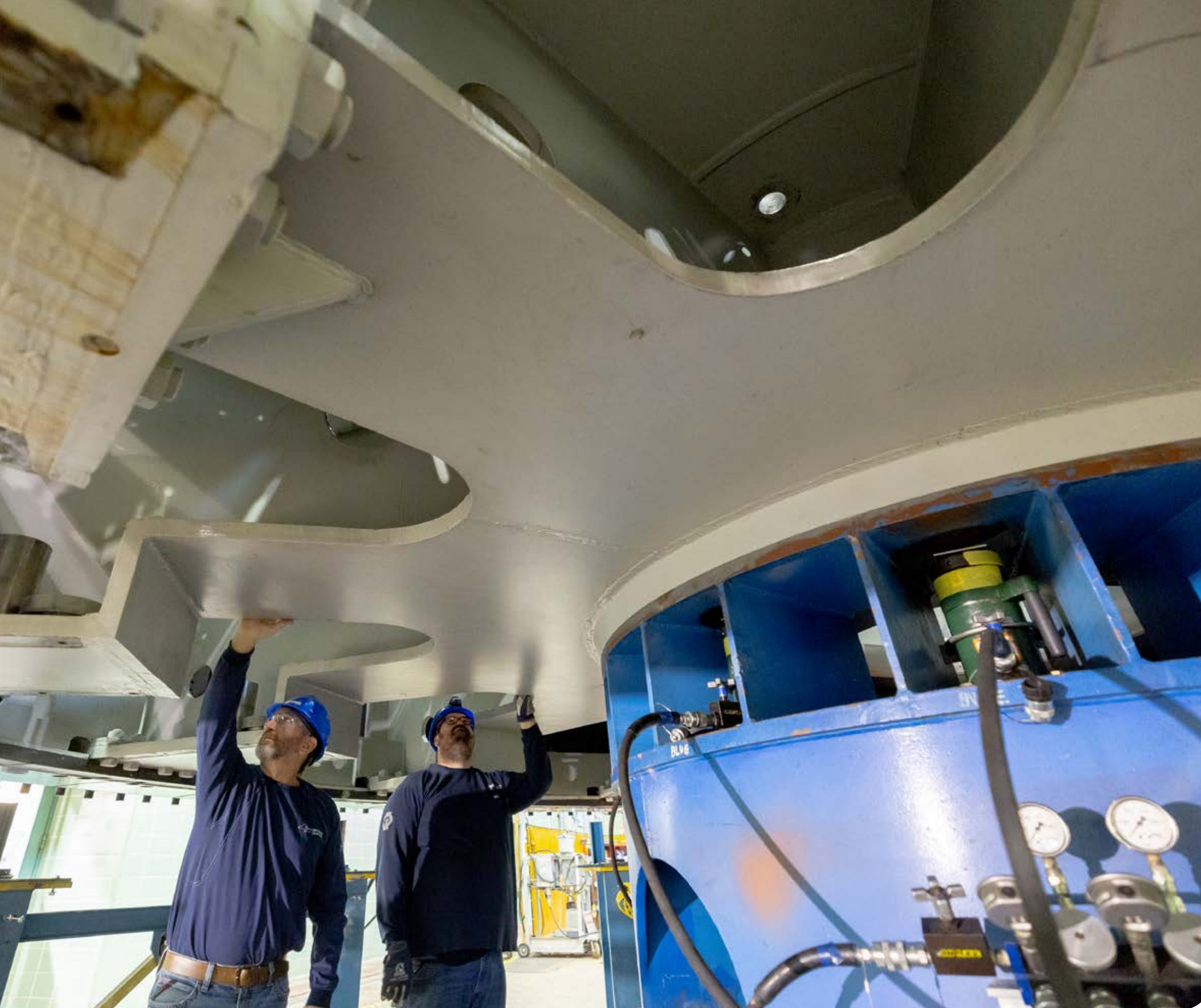
03

GOVERNANCE

Maintaining Sound
Governance

Sustainability Governance

Risk Management



Maintaining **Sound Governance**

Our governance framework ensures we operate effectively and hold ourselves accountable for our actions.

We define roles and responsibilities at the Authority in line 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 strategic plan.

The members of the NYPA board serve on the board for two additional subsidiaries: the NYPA Captive Insurance Company and the New York Renewable Energy Development Holdings Corporation.

NYPA trustees and Canals directors are appointed by New York State’s 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 (PAAA) training through the Authorities Budget Office. As board members, they 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. They also engage in mandatory training of Ethics Codes of Conduct and Board Conflict of Interest Procedures through NYPA.

Board Committees

The trustees and directors serve on the following NYPA and Canals Joint Committees:

Finance Committee

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

Governance Committee

The Governance Committee keeps the trustees/directors informed of best governance practices, recommends updates to corporate governance principles, examines ethical and conflict of interest issues and reviews and recommends bylaws for conduct of business.

Risk & Resiliency Committee

The Risk & Resiliency Committee assists the trustees/directors in fulfilling their risk and resilience management oversight responsibilities.

Audit Committee

The Audit Committee oversees the work of the Internal Audit Department and monitors all 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 of: Audit Committee,
Governance Committee and
Risk & Resiliency Committee



Michael J. Cusick
Board member since 2023

Member of: Finance Committee,
Audit Committee and
Risk & Resiliency Committee



Bethaida González
Board member since 2021

Chair:
Governance Committee

Member of: Finance Committee
and Risk & Resiliency Committee



Cecily L. Morris
Board member since 2023

Chair:
Risk & Resiliency Committee

Member of: Finance Committee
and Governance Committee



Dennis G. Trainor
Board member since 2017

Chair:
Audit Committee

Member of: Finance Committee
and Governance Committee



Lewis M. Warren, Jr.
Board member since 2023

Member of: Finance Committee,
Audit Committee and
Governance Committee



Laurie Wheelock
Board member since 2023

Member of: Finance Committee,
Audit Committee and
Risk & Resiliency Committee

Executive Management Committee

The Executive Management Committee (EMC) is led by the President and CEO. The EMC is responsible for upholding the Authority’s integrity as well as our commitments to stakeholders by 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



Robert Piascik

Senior Vice President and Chief Information and Technology Officer

Since 2018



Alexis Harley

Senior Vice President and Chief Risk and Resiliency Officer

Since 2023



Charles Imohiosen

Senior Vice President, Communications and External Affairs

Since 2024



Karina Saslow

Senior Vice President, Human Resources

Since 2022

Board and EMC Diversity Metrics

Female
41.2%

Male
58.8%

Age 30 – 50:
23.5%

Over age 50:
76.5%

2024 Board Meeting Resolution Highlights

Our Trustees and Directors discuss and approve key resolutions year-round. See summaries of select 2024 resolutions below. All Board resolutions and discussion topics are publicly available in the meeting minutes published on [our website](#).



In February 2024, NYPA arrived at an agreement for a new five-year contract with the Civil Service Employees Association, Local 1000, AFSCME and AFL-CIO. The labor union represents more than 380 Canals employees that operate and maintain the 524-mile New York State Canal System.



In October 2024, NYPA issued \$450 million of Series 2024 A Revenue Bonds (Green Bonds). This issuance underscores the Authority’s commitment to strong governance practices by supporting its capital plan, maintaining asset integrity and investing in infrastructure projects.



In the October meeting, the board adopted the resolution to approve the incorporation of NYRED and authorized up to \$100 million in funding to support its 2025 capital investments and operations. In November 2024, NYRED was established as a wholly owned subsidiary of NYPA.



In December 2024, the board approved the Authority’s nearly \$4 billion, 2025–2028 capital plan. Our four-year Energy Efficiency Program, beyond this capital plan, is in excess of \$1.4 billion.



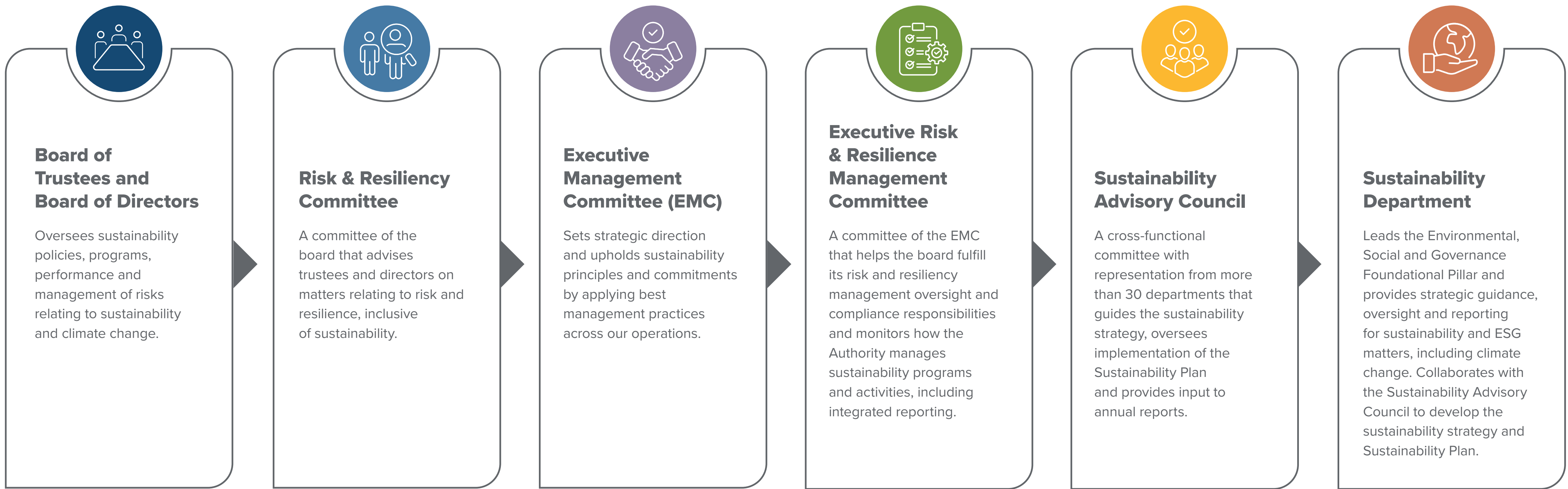
Over the course of 2024, the board approved funding of \$21 million to support the Authority’s Clean Energy Workforce Development and Training Investment Initiative, in collaboration with the New York State Department of Labor.

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



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 New York State goals and other regulatory directives in a manner that mitigates threats and increases opportunities for NYPA 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 (COSO) Enterprise Risk Management frameworks.

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

NYPA is enhancing the cyber security capabilities of our more than 50 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 initiatives:

Incident Response Readiness

We are enhancing cyber security skills within NYPA and across New York State's electricity sector with incident response plans, workshops, drills and exercises, and cyber security playbooks that aid in skills development.

Cyber Hygiene Assessment

We are actively identifying and addressing security gaps by regularly assessing risks with members of the CCDC and our federal and state partners. Constant monitoring of emerging threats to New York’s electricity sector is critical to a reliable and secure power supply.

Collective Defense

We are developing, testing and executing field solutions for NYPA's municipal and cooperative customers, and identifying security gaps and requirements. We are also improving security responses by expanding access to actionable intelligence.

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.

Risk Assessment

All business units participate in a risk-assessment process. Beginning in 2024, this process transitioned from an annual assessment to biannual. We also enhanced our emerging risk and horizon-scanning process, which incorporates watchlists and scenario thinking. Assessment outputs are aggregated into a risk profile that is shared with all levels of the organization. Executive leadership reviews the risk profile in the context of the Authority’s risk exposure and risk appetite before discussing the results with the Board of Trustees and its Risk & Resiliency Committee.

The Authority maintains its enterprise, asset, project and operational risk information in a central Enterprise Governance, Risk and Compliance system. The system also houses risk-related data from departments such as Internal Audit, Internal Business Controls, Insurance, Compliance, Sustainability and Resilience.

Our Risk Appetite Categories



Financial Capacity and Availability of Capital



Cyber and Physical Security



New Venture and Strategic Initiative



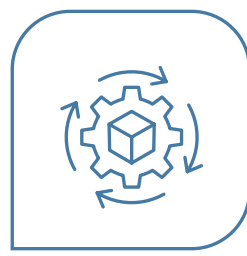
Legal, Regulatory and Compliance



Extreme Weather



Operations



Supply Chain and Third Party



Safety and Environmental



ESG and DEIA



Talent Management and Labor Relations

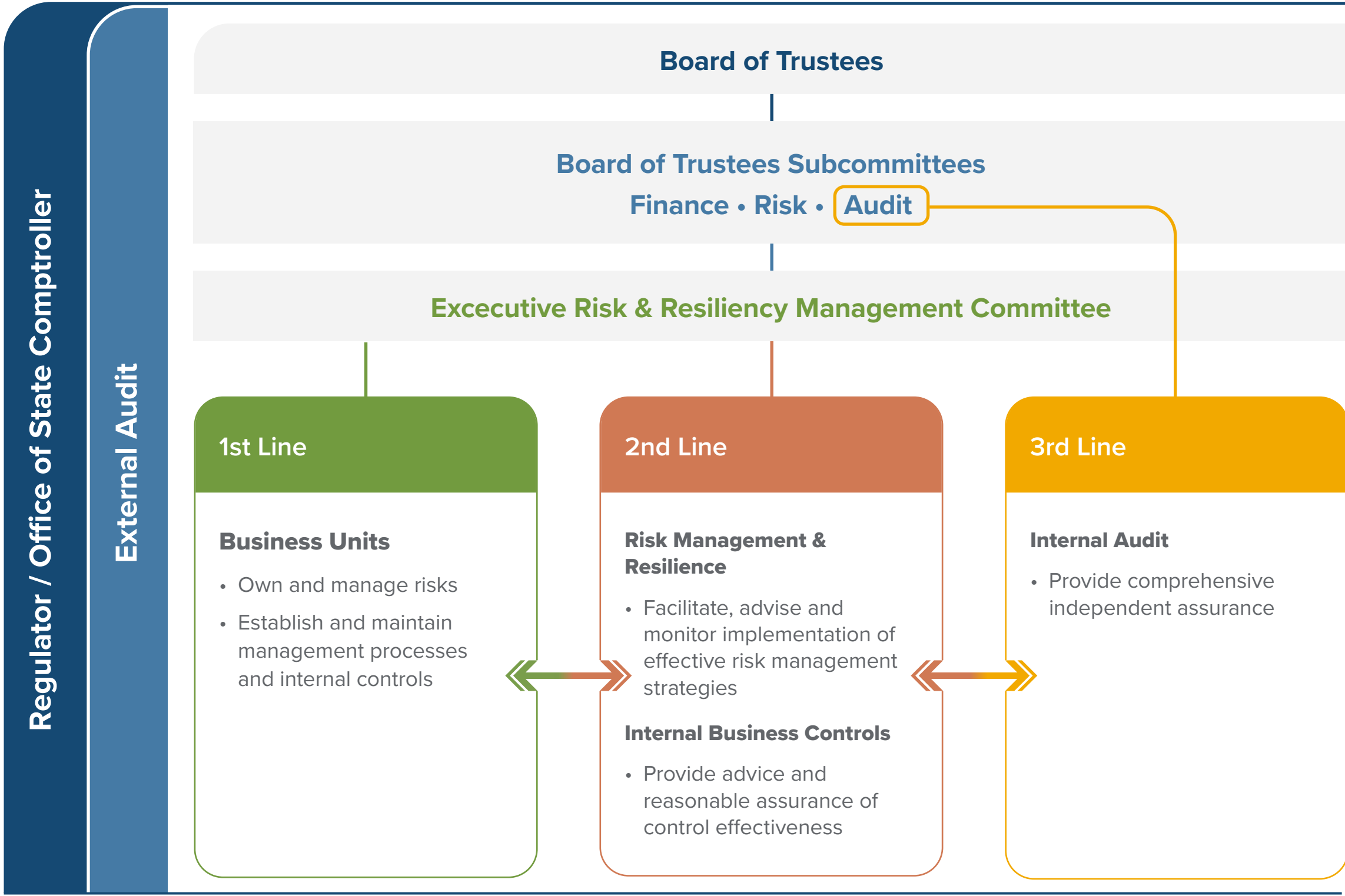
Risk Appetite

Risk appetite¹ is fundamental in guiding our decision-making processes and ensuring that we maintain a balanced approach. In 2024, we reviewed and updated NYPA’s Risk Appetite Statement and created a separate and distinct Risk Appetite Statement for Canals. We conducted a comprehensive stakeholder engagement process concurrently with the refresh of our VISION2030 strategy and weighed risks and rewards against 10 risk appetite categories. Our Risk Appetite Statements set forth the level of appetite agreed to by leadership for each category.

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.

Three Lines of Defense

Three Lines of Defense 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, 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, ensuring a robust and effective governance model. 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.



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.



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 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 360 mandated reporting and training activities.

All trustees and employees receive annual mandatory ethics training and certify each year to having reviewed the Code of Conduct and Board Conflict of Interest Procedure. The training includes guidance to deter bribery, corruption, fraud, waste and abuse in state government. Trustees and employees are instructed on restrictions involving conflicts of interest, 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. 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.

04

STRATEGY & VALUE CREATION

VISION2030:
Our Strategic Plan

Stakeholders

Sustainability &
Our Material Matters

Understanding Our
Value Creation Process



VISION2030: Our Strategic Plan

VISION2030, the Authority’s 10-year strategic plan, guides our work and helps prioritize our investments and activities.

New York State’s Climate Leadership and Community Protection Act (CLCPA) sets forth a plan to decarbonize the state’s electricity grid by 2040 and reach a carbon-neutral economy by 2050. The legislation aims to ensure the availability of sustainable, reliable and affordable power for all New Yorkers and to promote growth in clean energy technology and electrification.

The Authority’s VISION2030 aligns with and supports CLCPA goals. It also reinforces our commitment to put the people of New York first, stimulating job creation and capital investment, and contributing to a stronger economy.

During 2024, we undertook a process to refresh VISION2030 to reflect new priorities and emerging opportunities, including NYPA’s expanded authority and other related directives.¹ The resulting plan, [VISION2030 Renewed](#), was approved by the board in March 2025. VISION2030 Renewed presents an evolved, strategic commitment over the next five years to accelerate New York State’s renewable energy goals, modernize energy transmission, deepen customer partnerships and revitalize the Canal System.

This report reflects our performance for 2024 and is based on the 2024 strategic priorities in VISION2030.

¹NYPA’s expanded authority and other related directives were granted to us by New York State lawmakers in the 2023–24 Enacted State Budget, specifically, Part QQ of Chapter 56 of the Laws of 2023. See the [Decarbonize Electricity Generation](#) section of the report for more detail.

Strategic Priorities and Foundational Pillars

VISION2030 outlines the Authority’s five Strategic Priorities and five Foundational Pillars that together represent the building blocks of our strategy

Strategic Priorities

1

Preserve and enhance the value of our hydropower assets as a core source of carbon-free power in New York State, and as a source of flexibility and resilience as the state’s grid evolves.

2

Pioneer the path to decarbonization by acting as a testbed for innovation while ensuring reliability, resilience and affordability of New York State’s energy grid.

3

Be the leading transmission developer, owner and operator for New York State and its changing needs.

4

Partner with our customers and government entities to advance the state’s energy goals in alignment with the CLCPA by providing clean and affordable energy along with innovative customer solutions.

5

Revitalize the New York State Canal System for the economic and recreational benefit of New Yorkers while driving operational efficiency.

Foundational Pillars



Digitalization: Leverage connectivity, analytics and cutting-edge digital infrastructure to optimize our physical and data assets, enable our workforce and empower our customers.



Environmental, Social and Governance: Fully integrate Environmental, Social and Governance principles (ESG) into the Authority by transforming leadership practices; expanding the sustainability function to encompass strategic guidance, oversight and reporting for ESG issues; and demonstrating our commitment to ESG over the long term by issuing a sustainability plan and annual integrated reports.



Diversity, Equity and Inclusion: Create an environment where every employee, business partner and community advocate feels valued. Ensure an internal culture of inclusion, a diverse supplier base and a commitment to environmental justice.



Resilience: Accelerate the adoption of an enterprise-wide resilience strategy to prepare for a more distributed and uncertain operating environment.



Resource Alignment: Ensure our workforce is as skilled and flexible as possible, access to information and knowledge is readily available and our core business processes are optimized.

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Key VISION2030 Goals and Targets

Our value creation story addresses the challenges faced by New York State, including mitigating and adapting to the rising impacts and inequities caused by climate change. We have set a target for the decarbonization of generated electricity by 2035, five years ahead of the state’s target, to help accelerate New York’s decarbonization efforts.

New York State CLCPA Goals and Targets



Electricity Targets

70%
renewable by 2030

100%
emissions-free by 2040



Renewable Targets

10 GW
distributed solar by 2030¹

6 GW
storage by 2030²

9 GW
offshore wind by 2035



Economy-Wide Targets

185 trillion
British Thermal Units (Btu) reduction
through energy efficiency by 2025

40%
GHG emissions reduction by 2030
from 1990 levels

85%
GHG emissions reduction
by 2050 from 1990 levels

35%
minimum of benefits from clean energy and
energy-efficiency investments for disadvantaged
communities, with goal of 40%

Our Goals and Targets

Preserve Hydropower

- Maintain hydropower’s contribution to the grid by generating at least 21 Terawatt-hours of carbon-free electricity, providing capacity and critical ancillary services

Decarbonize Gas Plants

- Cease production of electricity from our carbon-emitting small natural gas power plants by 2030, provided certain environmental, emergency power and reliability conditions are met³

Lead Transmission Expansion

- Grow transmission rate base by three to five times by 2030

Partner With Customers and the State

- Enable 325 MW of distributed solar at customer sites by 2028
- Enable 450 MW of storage projects by 2030
- Conserve 11 Tbtu of customer energy use by 2025
- Grow the contracted supply business by 15% by 2025
- Respond to the CLCPA goals to provide available and relevant resources to disadvantaged communities

Revitalize the Canals

- Execute on Canal Revitalization Projects by 2025

¹ On Dec. 17, 2021, New York Gov. Kathy Hochul announced a framework for the state to achieve at least 10 gigawatts (GW) of distributed solar by 2030. On April 14, 2022, the New York State Public Service Commission (PSC) expanded the installation target of the NY-Sun program from 6,000 MW to 10,000 MW of distributed solar generation projects.

² On Jan. 5, 2022, New York Gov. Kathy Hochul announced in her State of the State address an intention to increase the state’s 2030 legislated 3 GW of storage to 6 GW of storage by 2030. At its June 2024 session, the PSC approved an order expanding New York’s energy storage target to 6 GW by 2030 with an interim goal of 1.5 GW by 2025.

³ Detailed small natural gas power plants environmental, emergency power and reliability conditions can be found in the expanded authority legislation, PAL § 1005 (27-c).

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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 informed the development of VISION2030, our materiality assessment 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



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



Customers

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

- We invest in generating 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



Suppliers

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

- We provide economic development opportunities to local and diverse suppliers while promoting socially and environmentally responsible practices



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
- We implement habitat restoration and recreation projects as part of our relicensing agreements
- We provide communities across New York State with resources such as admission-free visitors centers, educational programs and career development opportunities that help foster a just transition
- We provide our communities with free outdoor educational adventures that can be enjoyed on and near the [Canal System](#)



Industry Partners

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

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



Investors

Holders of NYPA’s bonds

- NYPA issues bonds to finance certain capital expenditures. We maintain our Aa1/AA/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



Sustainability & Our **Material Matters**

The Authority seeks to understand the interdependencies inherent within our value creation process. We know these can impact customers and other stakeholders, as well as “silent” stakeholders like the natural environment.

Our ability to create value requires an assessment of opportunities, risks and trade-offs across the following types of capital: financial, manufactured, intellectual, human, social and natural.

The materiality assessment process helps us identify areas where we may have the greatest potential for impact. Insights from the assessment guide our efforts to integrate sustainability in our operations and optimize value for stakeholders.

2024 Materiality **Assessment and Results**

In 2024, the Authority conducted a materiality assessment to identify areas that most significantly affect our value creation process and where we have the greatest opportunity to generate value for our stakeholders. As a public authority, we consider the impact of the external environment (society and the natural environment) on our operations as well as the impact of our operations on the external environment. This approach to assessing materiality is not only a core element of integrated reporting, but also provides a foundation for sustainability plan development.

Our 2024 assessment was comprised of the following steps:

- 1

Identification of Relevant Topics
We reviewed the Authority's risk register, leading sustainability standards (including the Global Reporting Initiative and the Sustainability Accounting Standards Board), peer disclosures, and market and industry reports to create a list of priority topics. Topics were identified based on potential impact to value creation, stakeholders and the environment.
- 2

Stakeholder Engagement and Impact Assessment
We engaged with key stakeholders across the organization to assess each topic based on the relevant impacts of the external environment on our operations and of our operations on the external environment.
- 3

Prioritization and Validation
We refined the prioritization of topics by incorporating other factors such as business priorities and emerging risks and opportunities and validated the material matters with the Executive Management Committee.

Our Material Matters

These matters will guide the development of our sustainability strategy and our 2026–2030 Sustainability Plan.



Climate change mitigation and adaptation



Environmental stewardship



Health and safety



Energy reliability and resilience



Energy access and affordability



Employee development and engagement



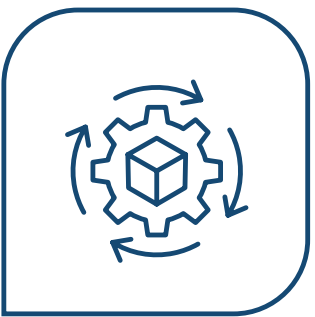
Community vitality



Supply chain management



Financial health



Cyber and physical security

United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are a global call to action to achieve a more sustainable and equitable future for all. The 17 interlinked global goals were adopted in 2015 by the United Nations General Assembly and are intended to be achieved by 2030.

We are working toward the transition to a carbon-free, economically vibrant New York State and the responsible supply of affordable, clean and reliable electricity. In alignment with the SDGs, our products and services aim to contribute to mitigating climate change and increasing the resilience of our operations, the communities we work with and our natural environment.

While we support all the SDGs, the Authority’s efforts most closely align with and support the six goals identified here. See the [Disclosures Index](#) for our performance against these goals. We will continue to report on progress as we advance in our reporting journey.



Green Revenue Bonds

The General Resolution Authorizing Revenue Obligations, adopted by NYPA on Feb. 24, 1998, as amended and supplemented (the “General Bond Resolution”), authorizes the issuance of obligations for all NYPA projects, ensuring that rates, fees and charges are sufficient to meet financial requirements.

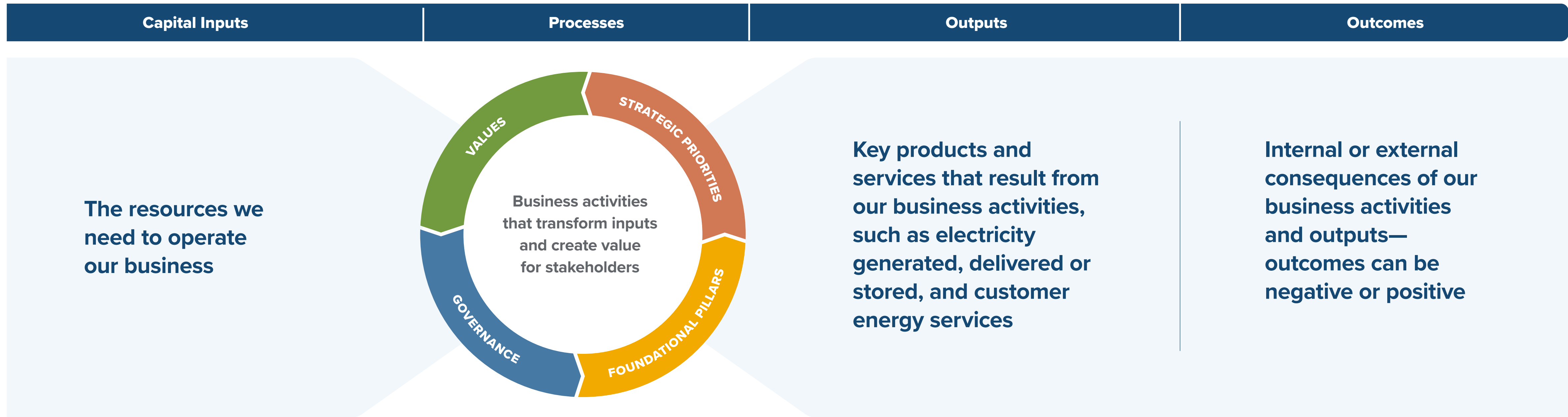
In October 2024, NYPA issued \$450 million in Revenue Bonds, Series 2024 A (Green Bonds), marking its second Green Bond issuance under the General Bond Resolution. For details on the Green Bonds, please see the disclosures in [our Financial Report](#). These bonds are in addition to Green Transmission Project Revenue Bonds issued in 2022 and 2023.

The Authority has established the New York Power Authority Green Bond and Green Commercial Paper Notes Framework to issue green bonds and notes for financing renewable energy, green building and efficiency projects, with proceeds aimed at supporting clean energy generation and enhancing energy efficiency across its operations. The instruments issued under the New York Power Authority Green Bond and Green Commercial Paper Notes Framework are expected to advance SDG 7 Affordable and Clean Energy and SDG 9 Industry, Innovation and Infrastructure.

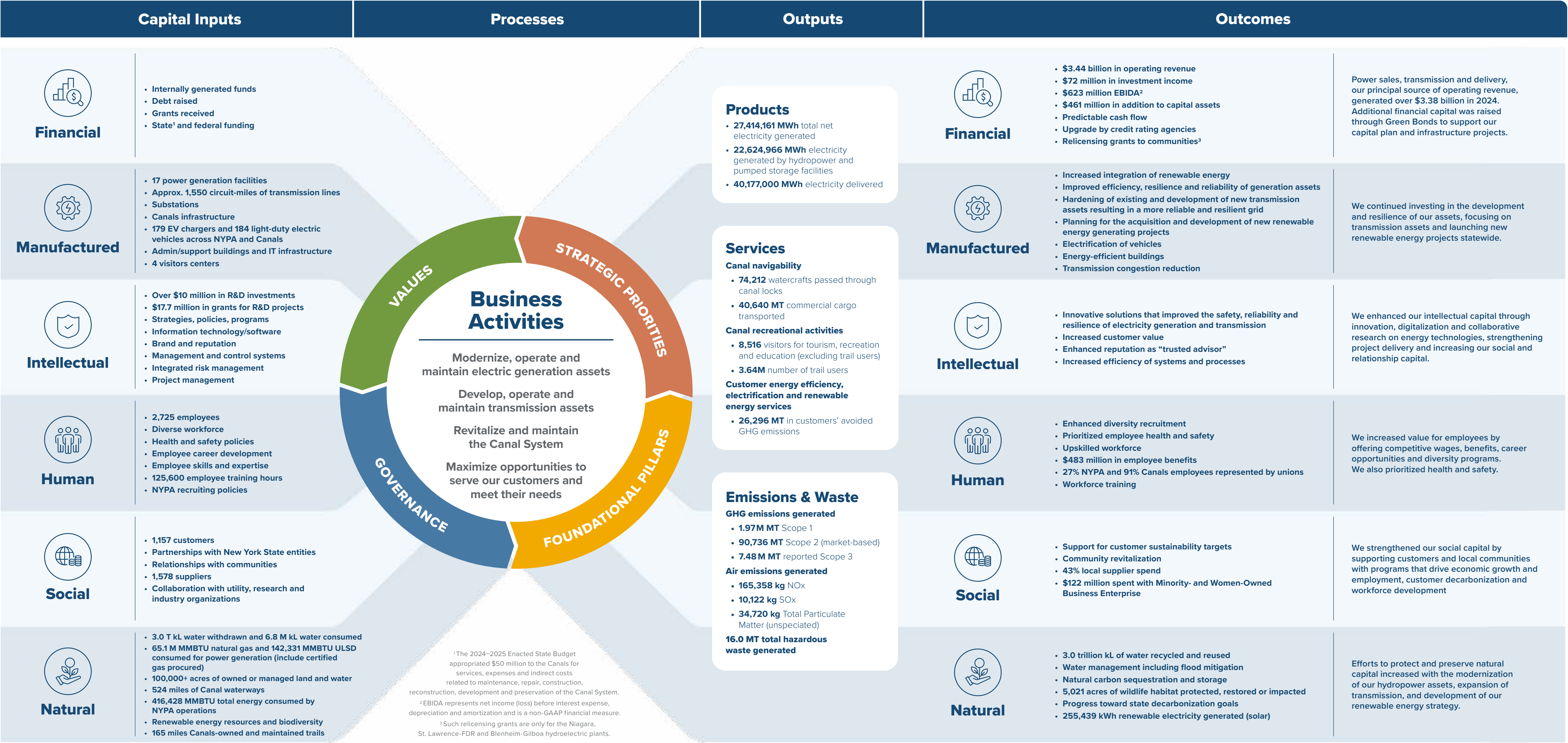
Understanding Our Value Creation Process

The Authority applies the Integrated Reporting <IR> Framework to assess and communicate how our business model, strategies and activities create, preserve and erode value and where we may face challenges in achieving our goals. Our Value Creation Model on the next page provides a summary of our 2024 inputs, outputs and outcomes, reflecting the fundamental concepts of value creation and capitals of the <IR> Framework.

The Value Creation Framework



Our Value Creation Model



05

PERFORMANCE & OUTLOOK

Preserve Hydropower

Decarbonize Electricity Generation

Lead Transmission Expansion

Partner With Customers and the State

Revitalize the Canal System

Supporting Our People and Communities

Looking Forward

1

STRATEGIC PRIORITY

Preserve and enhance the value of our hydropower assets

Preserve Hydropower

Hydropower is a source of reliable, renewable, low-cost electricity for New York State. It supports a cleaner, more resilient grid by providing a baseload electricity supply that can also balance the fluctuations of other renewable energy sources and adjust to daily and seasonal changes in supply and demand. Hydropower also contributes significant economic benefits to the state by providing affordable power for public services and New York-based businesses and supporting job creation and retention.

We preserve our hydropower assets by implementing comprehensive upgrades, investing in new research and development (R&D) and maintaining a competitive market presence. In 2024, this work included the continued modernization of assets at our Niagara Power Project

through Next Generation Niagara and the monitoring of asset performance at our Integrated Smart Operations Center. We also continued to work closely with the New York Independent System Operator (NYISO) to monitor the grid and provide stable access to power statewide.

We follow a four-part strategy to preserve the value of hydropower and maintain NYPA’s competitive presence in New York’s power market: (1) ensure policymakers understand the value of hydropower and that market rules compensate hydropower assets; (2) keep our assets in working order; (3) make investments to improve the market competitiveness and flexibility of our assets; and (4) engage contracting arrangements that maintain our competitive position alongside subsidized assets.

2024 Key Hydropower Metrics

Net Generation MWh (total Niagara, St. Lawrence-FDR, Blenheim-Gilboa, small hydropower plants)

22,624,966
net MWh of hydropower generated

\$1.398B
year-end net book value of
hydropower generation assets, including modernization



Modernization of Hydropower Assets

Hydropower is the largest source of clean electricity in New York State. Investing in modernization of our hydropower assets ensures the continued reliability, efficiency and safety of our power plants. Upgrading our facilities extends their operational life and enhances their capability to meet current and future energy demands as well as the state’s energy goals.

Next Generation Niagara

Next Generation Niagara is the largest capital project in NYPA’s history and a key element of our strategy to preserve the value of hydropower. 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 digital technologies, such as digital sensors and state-of-the-art control systems, to optimize the project’s performance.

In 2024, we continued to overhaul and modernize components of the turbine-generator units. In addition, we made significant progress on the design and build of a new gantry crane that is essential for planned mechanical upgrades. The crane has a lift capacity of 680 tons, as well as bird-deterrent and closed-circuit television systems.

We also continued work on a Life Extension and Modernization Program at the Niagara project’s Lewiston Pump-Generating Plant. The program includes an overhaul of the plant’s 12 pump turbine generator units. The upgrades will increase pump, turbine and operating efficiency of the Niagara Power Project.

Rotor Modifications at St. Lawrence-FDR Power Project

2024 marked a significant milestone in ongoing repairs and upgrades at St. Lawrence-Franklin D. Roosevelt Power Project with the completion of repairs on the eighth rotor, signaling the midpoint of this initiative. This project will extend the life of the rotors and prevent further damage or forced outages. Initiated in 2010 after discovering cracks in a rotor—the central component that ensures balance and alignment crucial for efficient operation—the project has evolved into a comprehensive repair plan for all 16 rotors. Most of the work is being performed by NYPA, which helps reduce overall costs and develops internal knowledge base.

With half of the rotors now refurbished, the project has reinforced the operational integrity of the power project and streamlined inter-departmental coordination, significantly enhancing efficiency for future phases.

NYISO and Balancing Intermittency

The competitive landscape for hydropower continues to shift in New York State, where subsidized wind and solar resources pose short-term economic challenges. Within this shifting market, hydropower assets are assuming a more complex role.

NYPA participates in the NYISO's electric market, which includes economically offering the generated power into the market. The adaptability of NYPA’s hydropower units enables a swift response to system needs during high-demand periods in addition to allowing for rapid adjustments in generation to support the availability of intermittent renewable resources. Depending on the state's energy needs and availability of energy from intermittent renewable resources, NYPA's hydropower facilities may be called on to quickly ramp up or ramp down generation.



These operational demands increase wear on our generating assets, raising operational and maintenance costs and shortening the life of components. In 2024, we completed strain testing and numerical modeling at the Robert Moses Niagara Power Plant to predict the acceleration in fatigue life of runners (turbine blades) and other components. Our testing and modeling validated the degradation rate and will allow us to anticipate the useful life of critical components. It will also inform design and operation of the facility going forward to better support integration of intermittent renewable resources.

Our Blenheim-Gilboa Pumped Storage Power Project (B-G) and Lewiston Pump-Generating Plant pumped storage facilities are key contributors to grid stabilization and support the integration of intermittent solar and wind resources. They enable us to store water for electricity generation during peak periods and to meet power needs as daily demand fluctuates. They also provide critical black start capabilities that restore the state’s electric service during blackouts.

Managing Asset Performance and Promoting Reliable and Safe Operations through Data Analytics

Building upon NYPA’s ISO 55001 asset management certification, we have taken a data-driven approach to optimizing the performance of our critical assets. This starts with executing a Reliability Centered Maintenance program, where we define key maintenance plans and inspection data points and capture them using advanced technologies such as sensors, robotics and mobile inspection. We continuously monitor the performance of our equipment by leveraging analytics.

NYPA’s Integrated Smart Operations Center (iSOC), established in 2017, is an integral part of our asset management program. The iSOC gathers data through real-time sensors and other inspection tools to generate models, or digital twins, that enable early detection of potential equipment failures. More than 146,000 data points and 879 digital twins have been deployed in the iSOC to date, with the capacity to expand to support NYPA’s growing generation and transmission portfolio.



**Sustainability Spotlight:
Impacts of Climate Change on Hydropower**

The production of hydropower is significantly affected by climate variability, regional hydrology and regulatory practices. One critical watershed for NYPA is the Great Lakes Region, which 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 various New York State 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 leveraging scenario planning to gain a comprehensive understanding of the potential physical, operational and

transitional impacts of climate change on our hydropower facilities. This strategic approach will enable us to better understand, predict, mitigate and adapt to the effects of climate change on our operations and the power grid.

We are investing in hydrological forecasting and data analytics to enhance our understanding of variability in Great Lakes water levels and their potential impact on hydropower generation. We are also developing an advanced hydropower generation forecasting model. This sophisticated model utilizes complex algorithms to achieve greater accuracy in converting and optimizing river flows for power generation. It is also designed to be adaptable, allowing for adjustments to account for equipment outages and to simulate the impacts of climate change on hydropower generation.

¹Sevens, A. and Lamie, C., eds. (2024). [New York State Climate Impacts Assessment: Understanding and preparing for our changing climate—Chapter 2.](#)

Hydropower as an Engine of Economic Growth

NYPA drives economic growth in New York State by administering economic development programs that provide low-cost hydropower 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.

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 that potentially lower their energy costs.

2024 Power Allocation Highlights

In 2024, we awarded new allocations of more than 80 MW of low-cost power to 46 customers through our economic development power programs. More than 39% of our low-cost power allocations went to businesses and nonprofits in disadvantaged communities.

We allocated nearly 43 MW of low-cost power through the ReCharge NY program to 41 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. This initiative enhances sustainability by delivering low-cost, clean energy to businesses, which leads to job creation and economic development, thereby enhancing community vitality.

FeedMore WNY

FeedMore WNY is a not-for-profit food bank, meals on wheels and workforce development program that serves Erie, Niagara, Cattaraugus and Chautauqua counties and has been a customer of the ReCharge NY program since 2014. It has an allocation of 86 kW, which supports 223 full-time jobs and \$825,000 in capital investment. In April 2024, NYPA’s Board of Trustees awarded FeedMore WNY \$5 million through the Western New York Power Proceeds Allocation Board. The award will help relocate two sites in poor condition to a new comprehensive facility, which will improve food production and meal services for people most in need and create 25 new jobs over seven years.

Tempco Glass Fabrication

In 2024, NYPA continued its support of Tempco through its ReCharge NY program. Tempco is a Flushing-based glass processing company that recently underwent a \$1.4 million expansion that significantly increased its warehouse size and capabilities and added 15 jobs. NYPA’s original allocation of 286 kW of ReCharge NY power helped Tempco allocate \$1.1 million in private capital and investments and retain 55 jobs. Our most recent allocation of 340 kW helped Tempco purchase cutting-edge glass processing equipment. Tempco is also planning to add additional truck routes to reach more customers and improve operations.



Economic Development—Cumulative Commitments for Jobs and Capital From Our Customers

450,000+
created jobs

\$55.5 B
in capital investments



2

STRATEGIC PRIORITY

Pioneer the path to decarbonization

Decarbonize Electricity Generation

NYPA is leading the state's decarbonization efforts while continuing to provide affordable, safe, reliable, clean energy to our customers.

Our VISION2030 strategy aligns with the state's goals to reduce New York's reliance on fossil fuel generation and promote a just transition while maintaining grid reliability.

In line with NYPA's expanded authority enacted in 2023, the Authority published its [Small Natural Gas Power Plant Transition Plan](#) in May 2025. NYPA will plan to deactivate its 11 gas turbines if emissions from replacement resources will not cause more than a minimal increase in air pollution in disadvantaged communities and if they are not needed for emergency power or to meet a reliability identified by the NYISO.

NYPA is closely examining the potential impacts on disadvantaged communities of air emissions from other older, less efficient and higher emitting power plants if all or some of its small natural gas power plants are deactivated. Closure determinations will be made on a plant-by-plant basis after consultation with stakeholders, opportunity for public comment and a public hearing in the affected community. The Authority is also considering proposed strategies to replace gas turbines with renewable energy systems, including energy storage facilities.¹

The NYISO oversees the dispatch of energy-generating assets in New York State in a manner largely dependent on reliability needs and identifying the lowest cost resources to meet those needs in a competitive market. The NYISO may dispatch NYPA's assets when additional power is needed to meet customer demand and stabilize the grid. In 2024, the NYISO's dispatch of our assets was affected by a variety of factors, including changes in the availability of generation

resources (e.g., retirement of other generating assets in the region, including the Indian Point Energy Center), the availability and pricing of fossil-based fuels, and weather patterns. As a result of these and other factors, the NYISO's dispatch of our assets increased, and our Scope 1 emissions rose 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 continues to expand in New York State, we expect our Scope 1 emissions to decrease.²

NYPA makes intentional use of 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 explore other ways to decarbonize our fossil fuel-powered generating facilities and operations through research and development as well as through programs that provide building and vehicle fleet energy efficiency and electrification.

As NYPA and other organizations develop and integrate more renewable energy sources into the grid, we remain mindful of the importance of an equitable energy transition. We are committed to expanding renewable generation while ensuring that energy remains affordable and reliable. Programs like Renewable Energy Access and Community Help (REACH)³ seek to mitigate the impacts of these changes on low-income residents of disadvantaged communities.

¹ See details about proposed strategies in [NYPA's Expanded Authority and Related Directives](#) section.

² NYPA's indirect Scope 2 emissions also went up in 2024. An increase in wheeled power exports to Canada due to Quebec forest fires and a rise in transmission line losses from fire smoke impacts were the primary causes of the increased emissions.

³ See details about the REACH program in [NYPA's Expanded Authority and Related Directives](#) section.

NYPA’s 2024 Greenhouse Gas Emissions

Our emission calculations¹ 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](#).

¹The 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 \[NYS DEC\] 2024 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 emissions and GHG intensities, 2024) thereon.

²Metric tons carbon dioxide equivalent

Sustainability Spotlight: Certified Gas Initiative

In 2024, NYPA purchased 1.3 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 and Equitable Origin ESG standards and contributed to a reduction of more than 35,000 MT CO₂e in Scope 3 upstream greenhouse gas emissions.

NYPA’s 2024 Greenhouse Gas Emissions Breakdown (MT CO₂e)²

SCOPE 1: DIRECT

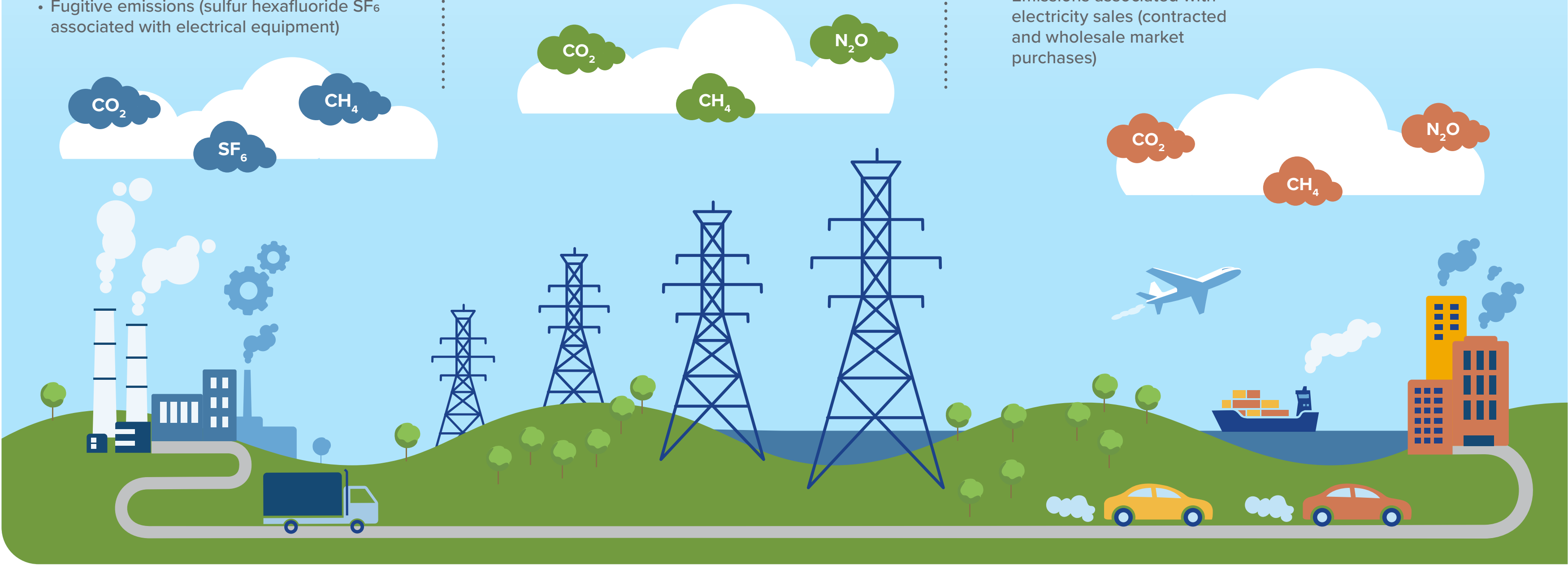
- Stationary combustion of fuels (power plants, facilities)
- Mobile combustion (fleet vehicles, corporate airplane)
- Fugitive emissions (sulfur hexafluoride SF₆ associated with electrical equipment)

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



SCOPE 1

1.97 M MT

Stationary combustion, mobile combustion and fugitive emissions

SCOPE 2

90,871 MT

Location-based

90,736 MT

Market-based



SCOPE 3

7.48 M MT

Reported Scope 3 total



Research & Development

NYPA acts as a testbed for new and innovative technologies that support our strategic priorities. This includes technologies that increase energy storage capacity, reduce risk from operating energy storage and reduce operational emissions. We are also working on initiatives related to first-of-its-kind transmission and hydropower projects that are recognized industry-wide.

Notable R&D Energy Storage Projects

In 2024, NYPA successfully implemented a new power-boosting and management product developed in collaboration with ZOOZ Power that integrates energy storage and management technology and allows for ultra-fast electric vehicle charging in grid-constrained areas. The new system was installed at a NYPA fleet charging station in Marcy (Oneida County) and serves as a demonstration site to inform potential future expansions of the technology. This project supports NYPA's efforts to accelerate transportation electrification across the state by addressing grid limitation challenges.

NYPA is also collaborating with Rockland County-based Urban Electric Power and the Electric Power Research Institute to develop long-duration energy storage demonstration projects at Westchester County's Grasslands Reservation and SUNY Oneonta. Supported by the U.S. Department of Energy and part of New York's initiative to promote renewable energy use on the electric grid, this technology provides a stable energy supply during high demand and extreme weather conditions. Construction is set for 2027, with operation by 2028.

Decarbonizing NYPA's Buildings and Vehicle Fleet

The BuildSmart 2025 program¹ sets an energy reduction target for NYPA of 0.12 Tbtu. This represents a 35% reduction from our 2015 energy use baseline. NYPA has developed a Clean Energy Master Plan for Buildings that identifies and prioritizes projects across the building portfolio to achieve this goal. In 2024, we continued to implement recommendations from the plan, such as HVAC and lighting projects, and we have accounted for energy reductions close to 91% of the target since 2015.

NYPA has set a goal to electrify 100% of our light-duty fleet by 2030, five years ahead of the state target. By the end of 2024, we had reached approximately 41% electrification of NYPA's light-duty fleet and 10% electrification of Canals' light duty fleet. Engineering designs are in development for EV infrastructure projects at several NYPA operating sites, which will increase electrical capacity and create dedicated service feeds to support additional charging stations and electric vehicles.

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



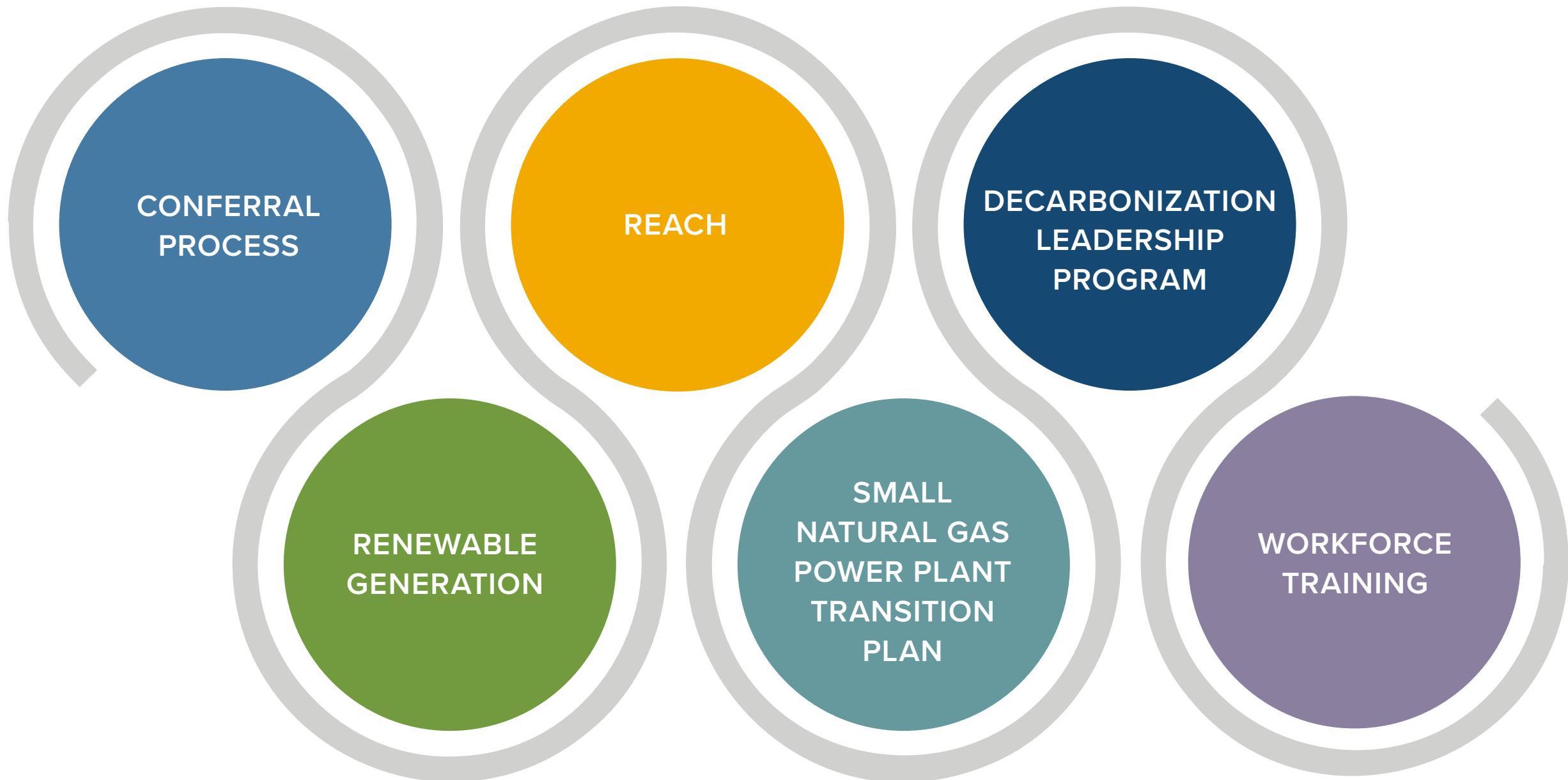
Sustainability Spotlight: NYPA's First All-Electric Bucket Truck

NYPA placed our first all-electric bucket truck into service in 2024. The \$528,000 truck, stationed at the Niagara Switchyard, requires about 45 minutes to an hour and a half to fully charge using a fast charger and can cover 100 to

125 miles, sufficient for a typical eight-hour workday. We acquired our second all-electric bucket truck at the end of the year.

NYPA’s Expanded Authority and Related Directives

In 2023, the Public Authorities Law was amended to expand NYPA’s authority to advance renewable energy and support other state priorities. This expanded authority will help NYPA accelerate the development of renewable energy, support workforce training for jobs in the renewable energy sector and implement the REACH program to provide bill credits to low-income rate payers in disadvantaged communities served by New York’s investor-owned utilities.



Conferral Process

In our second comprehensive conferral process, we conducted formal stakeholder engagement with 33 stakeholder groups, including state agencies, regulatory entities, climate and resilience experts, labor organizations, and environmental justice and community organizations. Topics covered included progress on the CLCPA’s renewable energy goals, the NYISO’s generator interconnection process and state priorities. NYPA also sought stakeholder input on ideas for training and retraining of the state’s workforce to support the state’s shift to a clean energy economy.

The feedback we gathered in 2023 and 2024 helped shape our biennial NYPA Renewables Strategic Plan, which was finalized in January 2025. It has also deepened our understanding of NYPA’s market context; while collecting this feedback, we noticed that stakeholders’ perceptions of the value we contribute to this market broadly match our understanding of NYPA’s market contributions.

We published a summary of our findings in October 2024. Visit the Conferral Process page on [our website](#) to learn more about this initiative and its outcomes.

Renewable Generation

New York State’s 2023–24 Enacted State Budget amended the Power Authority Act to enable NYPA to plan, design, finance and operate renewable energy generating projects, which can include solar, wind and battery energy storage.

Under our expanded authority, we can pursue renewable generation projects independently and with other entities. During 2024, we pre-qualified 89 renewable energy companies and investors to partner with us on this journey.

In October 2024, NYPA issued its first strategic plan for renewables deployment in draft form for public comment along with the 2024 Conferral Report. NYPA held 12 hearings across the state and received more than 5,000 comments on the draft plan. After incorporating these public comments, and the feedback we received from stakeholders in the 2023 and 2024 Conferral Reports, the Authority finalized its first [NYPA Renewables Strategic Plan](#) in January 2025. The plan includes 37 projects with a total capacity of more than 3 gigawatts (GW). We intend to update this plan in 2025 to add more renewable energy generation projects.

We also incorporated a subsidiary, NYRED, in November 2024, to allow us to responsibly develop new renewable generation while isolating us from certain liabilities that could be associated with renewable resource development.

REACH

In January 2024, we petitioned the Public Service Commission (PSC) to establish the REACH program, which will provide electricity bill credits to low-income New Yorkers in disadvantaged communities, months ahead of the statutory deadline. After submitting the REACH Petition, the Authority worked closely with stakeholders, including the New York State Energy Research and Development Authority, the Department of Public Service and New York’s six major investor-owned utilities, to align REACH with existing low-income bill credit programs, such as the Energy Assistance Program and the Statewide Solar for All Program.

In October 2024, the PSC granted NYPA’s petition, establishing the REACH Program. In response to the requirements of the Order, the utilities filed tariff modifications and program implementation plans. In addition, we signed agreements with each utility to transfer funds to implement REACH as revenues become available from new renewable generation resources and other sources. NYPA expects REACH bill credits to become

available starting in 2027. The bill credits will be funded by a portion of revenues from renewable energy generation projects developed by or for NYPA, as well as from other available funding.

Small Natural Gas Power Plant Transition Plan

NYPA continues to work with community members and stakeholders on the future of fossil-based electricity generation at its 11 small natural gas power plants at seven locations in New York City and Long Island. In line with NYPA’s expanded authority enacted in 2023, the Authority developed a comprehensive Transition Plan to deactivate its small natural gas power plants by 2030 if air quality and reliability conditions are met. The plan, published in May 2025, states that NYPA and its partners will conduct additional emissions and reliability studies, and NYPA will engage with stakeholders as part of the decision-making process related to individual plant closures. We are also considering options for other clean energy projects, including energy storage, at these sites.

During 2024, NYPA reached term-sheet agreements with energy storage developers for re-purposing the Harlem River, Hellgate, Pouch and Gowanus plants and is actively negotiating term sheets for repurposing the Brentwood plant. NYPA has also issued a Request for Information and received responses on development options for its Kent plant. These battery storage facilities are intended to provide safe, emissions-free power to help meet the future reliability needs of New York City’s electric system.

Decarbonization Leadership Program

In addition to our expanded authority, NYPA is charged with administering the state’s Decarbonization Leadership Program. Under this initiative, NYPA will create decarbonization action plans by January 2026 for 15 state facilities that are among the highest producers of greenhouse gas emissions. As an early example of our progress, in May 2024, NYPA and the Office of General Services released an Energy Master Plan focused on decarbonization of Empire State Plaza in Albany. The

Energy Master Plan identified viable pathways, including fuel switching from natural gas to electricity for the cooling system, energy-efficiency gains in the buildings and beneficial electrification for heating (via ground source heat pumps, wastewater heat pumps and/or industrial heat recovery). A \$100 million project to electrify the chiller systems in this complex will be in construction by late 2025, with completion expected by 2029.

Workforce Training

NYPA received authority to make available up to \$25 million annually to train workers for employment in the renewable energy field. This initiative will be implemented through a collaborative process with the New York State Department of Labor (DOL). In March 2024, NYPA and DOL entered into a Cooperative Agreement for programs related to workforce training, retraining and apprenticeship opportunities in the renewable energy field. NYPA allocated more than \$21 million for workforce training in 2024, with more to come in 2025.

Sustainability Spotlight: **Workforce Training**

Public Housing Community Fund

The Public Housing Community Fund (PHCF) is a public-private partnership that supports the New York City Housing Authority (NYCHA) and its residents. In 2024, NYPA provided PCHF more than \$1 million to support classes, hands-on experience and a 3-month paid internship for 60 NYCHA residents in carpentry, electrical, plumbing, building operations and maintenance, energy efficiency, solar PV, HVAC and building decarbonization.

Soulful Synergy LLC

Soulful Synergy is a minority-owned workforce development agency dedicated to creating equitable and sustainable communities. It administers recruitment and training programs and to upskill local workforces for clean energy and other high-demand jobs. In 2024, NYPA provided Soulful Synergy \$857,000, which will help deliver specialized training on advanced building weatherization techniques and building and transportation electrification to 80 participants.

“
Soulful Synergy’s partnership with NYPA is vital for advancing our workforce training in building weatherization and electrification. This collaboration will enable us to broaden our curriculum and train 80 individuals in crucial hands-on skills like air sealing, insulation, heat pump installation and EV charging equipment maintenance. We eagerly anticipate launching these programs in mid-2025, empowering graduates to find clean energy jobs and contribute to a more energy-efficient and sustainable New York.”

— Dwayne R. Norris, Soulful Synergy

Lead Transmission Expansion

One of NYPA's strategic priorities under VISION2030 is to be the leading developer, owner and operator of New York State's transmission assets. Through NYPA's efforts, New York is experiencing its biggest transmission modernization and expansion in decades. Our transmission work supports the integration of renewable energy sources, reduces congestion and improves grid resilience. It provides greater access to affordable, clean energy and creates thousands of clean energy and construction jobs.

Transmission projects include research, planning, design, permitting and construction. Delays in permitting, supply chain disruptions and talent shortages can extend the length of transmission development and construction projects and increase costs. NYPA mitigates the impact of permit and supply chain delays by assessing potential risks and evaluating alternative solutions. Rather than relying solely on manufacturing equipment shipped from overseas, NYPA researches available alternatives that can be sourced locally or domestically. When this solution is not available, we explore other options such as long-term contracts and alternate delivery approaches.



Expanding Transmission in New York State

Throughout 2024, we continued to advance transmission infrastructure modernization and expansion efforts. The following highlights some of our key initiatives.

Smart Path Connect

Smart Path Connect is a Priority Transmission Project that consists of approximately 110 linear miles of transmission line rebuild (upgrading from 230kV to 345kV), the construction of new substations, modifications to existing substations and the decommissioning of some substations. NYPA is building the project in collaboration with National Grid. Construction commenced in 2022. During 2024, we completed approximately 95 circuit miles of transmission lines, 600 foundations and 560 structures. We also made significant progress on the construction of three new substations and modification of seven existing substations. As of November 2024, more than half of Smart Path Connect’s transmission lines were energized, stretching across 36 miles in the Mohawk River Valley and 38 miles in the North Country. The project is expected to be substantially completed in 2026 and will support the integration of more renewable energy sources upstate.

\$2.49B

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

Uniondale Hub Substation Upgrade

The Uniondale Hub Substation Upgrade 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. All major equipment has been ordered, the design is at 30% completion and the Article VII application was submitted to the Public Service Commission (PSC) in April 2025.

Clean Path Transmission Project

In 2024, New York State and developers mutually agreed to end contracts supporting development of Clean Path NY. NYPA filed a petition with the PSC asking for a Priority Transmission Project designation to advance the development and permitting of the project. The proposed project aims to reduce reliance on in-city fossil-fueled generating facilities, which would improve air quality and provide other public health benefits. We expect a decision on the petition later this year.

Propel NY

The 345kV Propel NY transmission line is a 90-mile project to be developed by NYPA in collaboration with New York Transco (NYT). This project aims to improve grid reliability and increase delivery of clean energy through system improvements across Long Island, New York City and Westchester County. This year, NYT, NYPA and the NYISO signed a Development Agreement to deliver the project consistent with the NYISO's Open Access Transmission Tariff. The agreement includes a required in-service date of May 2030.



Sustainability Spotlight: Protecting Healthy Ecosystems

NYPA and Canals own or maintain more than 100,000 acres of land and water in New York State. Our stewardship of this land and water is an essential part of our commitment to serve the public good.

Under our federal licensing agreements, NYPA has restored more than 1,950 acres of habitat across the state. These habitat improvement projects have preserved ecosystems of particular environmental, recreational, economic and cultural importance to local communities.

As an early adopter of integrated vegetation sustainable land management practices, NYPA maintains 15,000 acres of pollinator habitat along approximately 1,550 circuit-miles of transmission rights-of-way. Since 2013, the Right-of-Way Stewardship Council has recognized our stewardship and accredited NYPA as a Right-of-Way Steward.

We are now extending our conservation efforts to our power-generation and canal landholdings and are creating pollinator meadows and gardens at our facilities. In 2024, we committed to enhancing habitat for Monarch butterflies by enrolling in a voluntary Candidate Conservation Agreement with Assurances with the U.S. Fish & Wildlife Service (USFWS). This agreement commits us to implementing land management practices that protect Monarch populations. Monarchs have seen significant declines in recent years, prompting the USFWS in 2020 to acknowledge the necessity for protective measures.

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

NYPA continues to strengthen monitoring and efficient management of the transmission system through a range of initiatives, from the expansion of robotics capabilities for extensive grid inspections to collaborations that refine cutting-edge technologies for broader surveillance and maintenance.

Robotics Program

NYPA’s Robotics Program deploys advanced robotic systems, including aerial (drones), ground, aquatic and climbers to monitor and inspect critical asset infrastructure safely and effectively.

In 2024, following a Federal Aviation Administration waiver allowing drones to fly beyond the visual line of sight, we were able to expand our drone capabilities and perform automated inspections and remote monitoring. NYPA aims to continue to deploy advanced technologies like drone-in-a-box, fixed-wing drone and advanced sensor payloads, which will facilitate more effective inspections of power transmission infrastructure across broader distances. We can now conduct post-weather damage assessments, provide real-time evidence for decision-making and significantly reduce inspection times—all of which are essential to delivering reliable, clean power throughout the state.

NYPA also partnered with Manifold Robotics in 2024 to launch a new initiative that aims to refine sensor technology for fixed-wing drones. This collaboration will facilitate more effective inspections of power transmission facilities across broader distances.

Advanced Grid Innovation Laboratory for Energy

Throughout 2024, NYPA relocated and expanded its Advanced Grid Innovation Laboratory for Energy (AGILE). The state-of-the-art facility, now located at NY CREATES Albany NanoTech Complex, offers electric grid simulation to assess future scenarios and gauge the impact of new technologies and enhancements on electric system operations and reliability.

AGILE plays a crucial role in the testing, modeling and validation of electrification technologies, transmission-related products and services and innovative energy system solutions. A focus of work going forward will be to assess the integration of intermittent renewable resources into the state's power grid and the impacts of clean energy technologies such as battery storage systems and electric vehicles.

EPRI Initiative to Enhance Data Center Flexibility and Grid Reliability

NYPA is one of the founding members of DCFlex, an Electric Power Research Institute (EPRI) initiative to explore data center and power supplier strategies for optimal grid integration. Electricity demand is on the rise, with data center electricity usage expected to consume 5% to 9% of U.S. electricity generation annually by 2030. DCFlex will demonstrate flexible strategies in diverse data centers and electricity markets, aiming to streamline grid integration and increase adoption of operations that benefit electricity consumers.

APPA Awards

NYPA was recognized with an Energy Innovator Award from the American Public Power Association in 2024 for introducing a real-time transmission line issue detection system to enhance grid safety, security and reliability. The Energy Innovator Award celebrates utilities for their innovative approaches to providing improved service to their electric customers or for projects that boost utility operations or resource efficiency.

NYPA held the Diamond level RP3 (Reliable Public Power Provider) award in 2024, reaffirming our status as a dependable public power provider. The RP3 Program serves as a thorough operational checkup that assesses public utilities across four critical areas: reliability, safety, workforce development and system improvement. The Diamond is the highest RP3 award.



4

STRATEGIC PRIORITY

Partner with our customers and the state to meet their energy goals

Partner With Customers and the State

NYPA works closely with our customers, policymakers and regulators to drive the energy transition. Our work ranges from strengthening public energy infrastructure and increasing access to clean power to engaging in regulatory proceedings and assisting with customer project implementation.

As a trusted energy advisor, NYPA is uniquely positioned to help our customers meet their sustainability goals. Our energy service programs focus on three key areas: (1) building efficiency and electrification; (2) distributed energy resource projects such as on-site solar and energy storage; and (3) electric vehicle (EV) charging infrastructure to support EV adoption and fleet electrification.

NYPA completed 77 energy conservation and efficiency projects in 2024

42,906 MWh

customers' estimated electricity savings from conservation and efficiency initiatives

26,296 MT

estimated GHG emissions avoided



Supporting Customer Decarbonization and Electrification Goals

NYPA implements a variety of projects to help our customers and the state decarbonize sustainably. 2024 highlights include enhancing energy efficiency in buildings across New York State, expansion of statewide EV charging and LED street lighting systems, and solar installations. We also continued to work with state facilities in New York to support BuildSmart 2025’s energy-saving goals.

Increasing Building Efficiency and Electrification

BuildSmart 2025

BuildSmart 2025 is a collective energy-saving effort for state facilities in New York. Executive Order (E.O.) #22 sets an energy reduction target of 11 trillion British Thermal Units across state facilities by Dec. 31, 2025 from a 2015 baseline. This is an approximately 34% reduction in energy use. The cumulative energy savings accomplished through BuildSmart 2025 meaningfully contribute to New York State’s energy and emissions reduction targets. NYPA both administers this program and participates in it.

NYPA supports state agencies and authorities by establishing attainable reduction targets based on energy use baselines and benchmarks, providing

guidance and resources, and tracking progress through our New York Energy Manager platform. NYPA also helps state agencies and authorities implement energy-saving projects in support of their BuildSmart 2025 efforts.

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 reducing New York City’s carbon footprint 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. Through DEM, facilities are provided with LED lighting and controls that meet the latest NYC Energy Conservation Code.

In 2024, we partnered with DCAS to complete installations of LED lights across 67 New York City Police Department facilities. The nearly \$17 million lighting upgrade, involving the installation of over 37,000 LEDs, is expected to save the city around \$750,000 annually in energy and maintenance costs while reducing carbon emissions by more than 1,800 metric tons—equivalent to 400 fewer cars on the road.

Approximately 750 facilities will be upgraded through the partnership, including schools, homeless shelters, recreation centers, court houses, sanitation garages, Department of Transportation garages and police precincts.



Sustainability Spotlight: Tree Power Program

NYPA’s Tree Power Program promotes the planting of native trees by providing a match for every tree purchased by customers. Since 2016, Tree Power has contributed to the removal of an estimated 448 metric tons of carbon dioxide from the atmosphere, significantly aiding in climate change mitigation efforts. In addition to climate mitigation benefits, tree planting is an effective way to improve building energy efficiency, reduce

stormwater flooding and improve air quality. For NYPA and New York State, the benefits to biodiversity are also critical. Since 2021, Tree Power has exclusively distributed trees native to New York, providing habitat and shelter for a variety of wildlife including birds, beneficial insects, butterflies and moths. More than 1,400 trees were distributed to 50 communities in 2024, with nearly half planted in disadvantaged communities.

BuildSmart
2025 Progress

\$9.55 trillion Btu conserved

NYCHA Partnership

Throughout 2024, NYPA completed the installation of energy-efficient heating upgrades at the New York City Housing Authority's Berry Houses on Staten Island for more than 875 residents in nearly 500 public housing apartments.

The initiative replaces the development’s original, outdated low-pressure steam boiler plant with a modern, energy-efficient system and decouples the hot water system from the central boiler, employing high-efficiency gas-fired hot water heaters to boost reliability and lower overall energy usage.

This more than \$31 million project is expected to decrease annual carbon emissions by over 800 metric tons, equivalent to removing nearly 180 cars from the road. The renovations at Berry Houses are part of a broader effort to leverage design-build strategies that streamline delivery and maximize cost efficiencies.

MEUA Independent Energy Efficiency Program

Through programs like the Municipal Electric Utilities Association of New York's Independent Energy Efficiency Program (IEEP), NYPA provides financial and technical assistance to enhance the capabilities of municipal electric utilities and rural electric cooperatives.

The IEEP leverages small customer contributions to fund significant energy conservation projects. These projects range from residential insulation upgrades to the adoption of ground source heat pumps and LED lighting for local businesses.

By pooling resources through IEEP, NYPA enables collective action that results in substantial benefits for New York's diverse municipalities, enhancing overall quality of life and sustainability.

**New York State
Decarbonization Leadership Program**

NYPA is charged with leading the state’s Decarbonization Leadership Program (DL15) and is developing decarbonization action plans for 15 of the highest emitting New York State agency facilities. The plans will expand on existing efforts and identify facility improvements to further reduce carbon emissions. NYPA has started work at every facility and is finalizing efforts

to onboard contractors and chart the path forward. If implemented, these decarbonization plans have the collective potential to reduce greenhouse gas emissions from state facilities by up to 30%. Implementation of the DL15 will serve as the playbook for decarbonization planning for all customers going forward.

9/11 Museum

We successfully completed the installation of LED lighting at the National September 11 Memorial & Museum during 2024, replacing nearly 1,700 outdated fluorescent fixtures with LED fixtures throughout the museum's hallways, corridors and maintenance rooms. These upgrades will result in substantial reductions in annual electricity and maintenance costs and decrease the building’s carbon emissions by nearly 65 metric tons annually, equivalent to the emissions from burning over 7,300 gallons of gasoline.

Tuscarora Nation School Energy-Efficiency Upgrades

As part of our commitment to sustainability and to supporting local communities, NYPA successfully completed installation of a new water filtration system and heating units at the Tuscarora Nation School in Lewiston. This initiative was realized in collaboration with the Tuscarora Nation, the Niagara Wheatfield Central School District and NYPA. The \$940,000 project, funded by NYPA, significantly increased efficiency and reliability of the building systems for the school's 500 students.

Niagara Falls State Park Energy-Efficiency Plan

Niagara Falls State Park is an iconic destination, attracting visitors from all over the world. NYPA collaborated with Niagara Falls Parks and Wendel Companies to develop a comprehensive strategy to decarbonize the park’s energy system. Key elements include enhancing energy efficiency by measuring and reducing energy usage, transitioning fleet vehicles to alternative fuels, replacing legacy equipment with thermal energy systems and producing renewable energy onsite.

**Partnering With the State to Protect
Our Water and Wastewater Systems
From Cyber Incidents**

The Water and Wastewater Systems sector in New York State is made up of approximately 9,000 public and private water systems operated by a variety of independent entities, including dedicated authorities, municipalities, homeowner associations, private companies and educational institutions. At the end of the water use cycle, wastewater systems work together to safely discharge or reuse water. The resilience and reliability of these systems against failure—whether due to aging systems or cyberattacks—is critical to protecting the health and safety of communities and the environment.

The state recognizes the need for a whole-of-government, one-water approach to evaluate the current state of this drinking and wastewater infrastructure. In June 2024, NYPA participated in a working group convened by New York State's chief cyber officer to enhance the sector’s cyber security resilience and reliability. Experts from nine state agencies, including NYPA, collaborated on recommendations for mitigating cyber security and operational technology risks. As a result of this collaboration, the group was able to respond swiftly to recent cyber security incidents at water treatment facilities in other states.



Distributed Solar

NYPA further supports customer decarbonization efforts through distributed energy resources deployed in notable 2024 projects, such as an ongoing project at John F. Kennedy International Airport (JFK) and a rooftop solar system at Red Hook Central School District.

Breaking Ground on JFK Solar

NYPA is helping advance the state's renewable energy infrastructure with the construction of the state's largest on-site solar plus storage project at JFK.

Developed in collaboration with the Port Authority, JFK Solar will include installation of a solar carport canopy across a long-term parking lot to provide electricity for the airport's AirTrain. It will also help reduce energy costs for residents in low-income areas of Queens. Featuring enough solar panels to cover an area equivalent to 11 football fields, this 12 MW solar initiative, coupled with a 6 MW community solar generation facility 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 6,000 tons annually, aligning with the Port Authority's objective to achieve net-zero greenhouse gas emissions by 2050.

Red Hook Central School District Solar System

NYPA partnered with the Red Hook Central School District on a groundbreaking initiative to install 1,200 solar panels across three school buildings. This project, the first NYPA-supported solar venture in Dutchess County, now powers 30% of the district's energy needs and is expected to reduce greenhouse gas emissions by 80 metric tons annually. Enabled by a \$1.7 million investment and an additional \$40,000 completion grant from NYPA, the solar arrays will save the district an estimated \$1.175 million over 25 years.

Metrics

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1.97MW	of NYPA-enabled distributed solar	:	714 MT	CO ₂ e avoided from NYPA enabled solar projects
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Expanding Electric Vehicle Infrastructure

Another NYPA focus area is enabling the transition to electric transportation by expanding electric vehicle charging infrastructure for our customers and the public. In 2024, we continued to work with the Metropolitan Transit Authority (MTA), Niagara Frontier Transportation Authority (NFTA), Ulster County Area Transit and Broome County Transit to electrify their bus fleets. In parallel, our EVolve NY program expanded the statewide network of public DC fast chargers, ensuring reliable fast-charge access that can enable EV adoption anywhere in the state.

MTA and NFTA Bus Fleet Electrification

NYPA is helping the MTA and NFTA decarbonize their fleets by installing rapid charging stations at their bus depots. We are also engaged in similar work with other transit agencies in the state. These public transit electrification projects help improve air quality in local and underserved communities and serve as a model for other metropolitan bus fleet operators.

The MTA aims to transform 100% of its 5,700 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 overhead electric bus chargers at three depots in Queens, Staten Island and Brooklyn and replaced one on-street charging system at the Williamsburg Bridge Plaza. Phases two and three include installing charging infrastructure for an additional 470 electric buses at eight bus depots in Manhattan, the Bronx, Brooklyn and Queens.

The NFTA’s goal is to decarbonize its fleet of 310 buses by 2040. The NFTA is also pursuing an interim goal of 25% fleet electrification by 2028. In 2024, the state's largest electrified bus depot became operational in Buffalo, with NYPA overseeing the design and installation of new high-tech overhead pantograph charging systems and a new sub-station that will allow for full fleet electrification. We are also working with the NFTA to finalize electrification at the Cold Spring garage, which supports neighborhoods surrounding the NFTA service area.

Fleet Chargers at JFK International Airport

NYPA partnered with the Port Authority of New York and New Jersey (Port Authority) and the New York State Department of Environmental Conservation to install eight dual-port charging stations at JFK International Airport. These chargers are capable of simultaneously powering up to 16 Delta Air Lines' electric ground support vehicles. Combined with the 84 charging ports installed in 2021, this expansion could potentially prevent the consumption of 32,000 gallons of diesel, reducing greenhouse gas emissions by over 320 metric tons. This project marks a significant step towards the Port Authority's goal of achieving net-zero emissions by 2050.

EVolve NY

The goal of our EVolve NY program is to accelerate EV adoption by establishing a public charging network in the state. NYPA is one of the first organizations to build high-speed charging stations at accessible public locations, such as major interstate highway corridors, municipal parking lots and gas stations. 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.

NYPA's goal is to install up to 400 EVolve NY high-power chargers capable of charging in as little as 20 minutes. By the end of 2024, contracts had been executed for 294 chargers and 212 were in operation at 52 sites. The charging stations are being installed at roughly 50-mile intervals, with safe and easy highway exit access. Each station has food, restrooms and shelter within walking distance.

By agreement with New York State Department of Transportation, NYPA plans to use approximately \$20 million in National Electric Vehicle Infrastructure funds from the Federal Highway Administration to install EVolve NY charging stations in more than 20 locations around the state. We expect most of these sites to open in 2025.



Overhead Pantograph Charging Systems Award

NYPA won the 2024 *Fortnightly* William Hammer Top Innovator in Electrification award for its innovative Overhead Pantograph Charging Systems. These systems are

specifically designed for crowded bus depots and are being installed for New York City and upstate transit bus fleets.

Revitalize the Canal System

As we commemorate the bicentennial of the Erie Canal in 2025, we cast our sights on the third century of its operations. Our strategic priority is to preserve and revitalize the Canal System as a historic landmark, key recreational asset and driver of economic development. We are working with communities, organizations and local businesses along the Canal System to provide support, funding and environmental expertise to attract New Yorkers and people from all over the world to its waterways and adjoining trails.

In 2024, our work included efforts to increase the safety of our waterways and dams, protect natural ecosystems in and around the canals, strengthen recreational infrastructure, promote economic development in surrounding communities and increase accessibility.

The Canal System includes 524 miles of navigable waterways in Upstate New York, including 57 locks, 16 lift bridges and other structures that range from 100 to 200 years old. It also includes 150 miles of trailway owned and maintained by Canals, which is part of the more than 424-mile Erie and Champlain Canalway Trails and the larger New York Empire State Trail, the nation's largest recreational trail system.

Most of the Canal System's physical assets require maintenance and restoration to keep the waterways safe, reliable and accessible. Since Canals became a subsidiary of NYPA in 2017, NYPA has prioritized Dam

Safety and Asset Management programs. 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 resources, such as grants, that will support our revitalization efforts.

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.



Enhancing Our Critical Assets for Safer Operations

In 2024, priority investments included critical infrastructure repairs. Effective maintenance practices and infrastructure improvements 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 for centuries to come.

Canals Dam Safety Program

Sustainable use of the Canal System’s waterways by tourists, businesses, residents and other groups depends in part on the integrity of its dams. Canals owns 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. Canals holds public safety as its highest priority and makes diligent effort 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.

We also advanced our dam safety work by continuing breach consequence modeling, updating emergency action plans and conducting public safety risk assessments at 125 Canals dam locations. Seven virtual outreach meetings were conducted for our 340 unique Emergency Action Plan holders and comprehensive inspections were completed for 243 Canals assets, including 120 dam structures and 123 embankments. Piezometer data loggers were strategically deployed to enhance monitoring. We completed detailed risk studies and potential failure mode assessments at 20 dam sites with joint participation from NYPA and Canals cross-functional teams. We also coordinated and tracked dam safety and Emergency Action Plan awareness training for Canals, reaching a 98% completion rate in 2024.



Comprehensive Asset Optimization for the Canals

The Canals Infrastructure Plan is a strategic framework that prioritizes and plans improvements across asset classes in alignment with the Authority’s long-term asset investment strategy. Key programs include the Earthen Embankment Integrity Program, which enhances embankments by addressing slope stability, erosion protection and vegetation management, and the Canal Culvert Rehabilitation Program, which focuses on systematically rehabilitating more than 175 culverts to extend their conveyance life. In 2024, a Canals Regional Asset Management Plan was introduced to guide project delivery teams in making risk-informed decisions regarding program goals, prioritization of more than 200 identified projects and assessment of capital needs.

Maintenance Shops

The Canal Corporation relies heavily on skilled employees to fabricate and repair critical infrastructure components. These employees 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 promote the sustainable business principles of repair and reuse.

New York State Canal System Infrastructure Investment

Fifty million dollars was appropriated in the fiscal year 2024-2025 New York State budget for the preservation and enhancement of the Canal System which targets high-priority infrastructure repairs essential for operations in the future. Projects include rehabilitation of aging water-impounding structures like reservoir dams, waste weirs and earthen embankment dams, as well as enhancements to water management infrastructures, such as guard gates, that will increase resilience to high-water events. This investment in the safety and functionality of the canals will help bolster tourism and stimulate economic activity across more than 200 upstate communities along the canal corridor as the Canal Corporation prepares to commemorate the Erie Canal’s bicentennial in 2025.

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.

Canals Safety Work Planning

In 2024, 81 Canal Corporation supervisors completed advanced job hazard analysis training with an accredited Occupational Safety and Health Administration provider. The program, totaling 648 hours, equipped 87% of supervisors with hazard recognition skills to identify and mitigate workplace risks. The training has also prompted ongoing discussions among employees about integrating safety into job planning.



Environmental Stewardship

As an organization that relies on clean, predictable water flows to operate the canals, ecosystem health is integral to our business. We work to preserve, restore and manage canal-adjacent environments and ecosystems that support our premier waterways and trails.

Mohawk and Oswego River Basins Flood Mitigation Efforts

Following a year-long study, the Upstate Flood Mitigation Task Force and the Canal Corporation advanced several projects in 2024 to mitigate future flooding in the Mohawk and Oswego river basins. These initiatives aim to strengthen the natural flood protection defenses within these watersheds through the restoration of floodplains and by addressing erosion and sedimentation in tributaries. One notable project is the development of

unified watershed mapping and modeling of the Oswego and Mohawk river basins, which will strengthen resilience against severe weather impacts and safeguard residents from future high-water events.

Fall Fishing ACEC Award

We continued our Fall Fishing program in 2024, timing canal water releases into north-flowing tributaries to optimize fish spawning and enhance the angling experience. The program was honored with an Engineering Excellence Diamond Award by the American Council of Engineering Companies for the strategic use of canal infrastructure that allows regulated flows of water from the Erie Canal into Lake Ontario tributaries.

Ice Jam Mitigation

Our Ice Jam Mitigation program entered its fourth year in 2024. The program uses ice-breaking tugboats to reduce 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.

Round Goby Rapid Response Plan

In June 2024, after detecting environmental DNA of the round goby in our Champlain Canal, we implemented operational changes to prevent the spread of this invasive species. The New York State Department of Environmental Conservation and the Canal Corporation initiated these changes as part of a proactive Rapid Response Plan to protect the Lake Champlain Basin.



Fleet Renewal for Maintaining Operational Efficiency

The Canal Corporation utilizes tugboats for maintenance activities, such as buoy replacement and retrieval, movement of spoils and transport of dredge pipe and equipment. In recent years, we determined several of our vessels are in need of replacement. We have ordered new tugboats, with testing and delivery of the first two scheduled for 2025. A significant amount of fabrication of the first vessel, the Thomas X. Grasso, and the design and some early construction for the second vessel, the Tug Rome, took place in 2024. Two additional tugs, yet to be named, are also planned, one with expected delivery in 2026 and the second in 2027.



Sustainability Spotlight: Canals Montezuma Wetlands Enhancement

In 2024, we completed a significant environmental enhancement project at the Montezuma Wetlands Complex in Central New York. This initiative aimed to increase ecological connectivity within the 180 acres of wetland and improve habitat for various wildlife species. Key activities included constructing channels to adjust water

depth and reconnect the Seneca River with its floodplain, as well as efforts to manage invasive species and reintroduce native flora. The revitalized wetland now boasts improved hydrology and more diverse plant life. The project increases the resilience of the Canal System and expands opportunities for nature-based recreation.

Economic Development and Accessibility

We explore ways to adapt Canals infrastructure for public benefit and develop plans to repurpose land and waterways for renewed use. We also partner with local governments, non-profits and federally recognized Native American tribes to offer tourism opportunities, amenities and events on the Canal System.

Brockport Pedestrian Bridge

The Canal Corporation continued to make progress in the construction of the Brockport Pedestrian Bridge over the Erie Canal, with a planned opening in 2025. The bridge connects the SUNY Brockport campus directly to the Empire State Trail and the Village of Brockport. This infrastructure development is part of a broader initiative to enhance recreational and communal 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. The construction is partly funded by a \$2 million grant from the Ralph C. Wilson Jr. Foundation.

Final Installation of Iconic Lighting Program: Tonawanda Bridge

The Iconic Lighting program in Tonawanda highlights the renewal of historic assets and refocuses community attention on their historical significance and future potential. This program has successfully illuminated five structures, including the Fairport Lift Bridge, Lock 17 in Little Falls—which is the highest single lift on the Canal System—as well as lighthouses in Brewerton and Verona Beach on Oneida Lake. The most recent addition is the lighting of the rail bridge that spans the Erie Canal, connecting the City of Tonawanda with North Tonawanda. These lighting projects enhance the aesthetic appeal of these structures and help to boost economic development within these communities.

Guy Park Manor

We continued efforts to revitalize the exterior of the historic Guy Park Manor in Amsterdam, which was damaged during a storm in 2011. In 2024, we celebrated a significant milestone: elevating the building by 3 feet 9 inches and raising the first floor 7 feet above the 100-year flood elevation to protect it from future flooding. Additional renovations to the building foundation and exterior will continue in 2025.



Canals Serves As Critical Public Infrastructure for Economic Development

In 2024, commercial traffic on the Canal System grew substantially, and tonnage increased from 23,000 tons in 2023 to 44,800 tons. The rise in commercial activity was driven in part by the shipment of the Ralph C. Wilson Park pedestrian bridge, the expansion of Brean Stone’s stone aggregate operations along the Champlain Canal and transport of electrical cables for the Champlain Hudson Power Express.

The Ralph C. Wilson Park pedestrian bridge was manufactured in Italy and was transported to Buffalo via the Erie Canal after arriving at the New York City Harbor. The bridge will span 266 feet across Interstate 190 and the CSX railroad line to link the new park with Buffalo’s Lower West Side, with an opening planned for 2026.



Public-Facing Programs

On the Canals, a program focused on community revitalization, completed its fifth year in 2024, hosting more than 37,000 participants. The program attracts new users to Canals waterways and the Empire State Trail, and creates opportunities for economic development in nearby communities.

We continued to focus on increasing participation from underrepresented communities through ongoing additions of programming, including recreational opportunities enabling people of all abilities to participate together. Eighty-two percent of the 2024 On the Canals budget went toward Diversity, Equity, Inclusion and Accessibility related adventures in these communities.

On the Canals Accessibility Education Program

In June 2024, we launched the groundbreaking Accessibility Education Program with 12 participants, providing more than 500 contact hours dedicated to transforming recreation providers into champions of inclusivity and accessibility. This effort ensures that all New Yorkers can fully experience and enjoy the state’s waterways. One of the program participants, Stony Point Art Studio in Fairport, utilized our development support to transition from a home-based operation to a brick-and-mortar location designed to cater to diverse learning styles and abilities.

Bicentennial Commission

Co-chaired by First Gentleman William Hochul and Canal Corporation Director Brian U. Stratton, the Erie Canal Bicentennial Commission was created in 2024 and is tasked with orchestrating the events and activities leading up to the 2025 World Canals Conference in Buffalo. This celebration marks the 200th anniversary of the Erie Canal and casts a forward look to future operations and enhancements of the Canal System.

Commemorative initiatives include community waterfront projects, arts and cultural events with local orchestras, and an academic forum series in partnership with the State University of New York. These activities aim to enhance statewide appreciation and use of this iconic waterway as a vital part of New York’s heritage and future.

The first academic forum, which was held at Monroe Community College, focused on increasing accessibility and inclusivity within the Canal System and Canalway Trail. Topics included ableism and accessible recreation, universal design and practical steps for incorporating inclusion. Participants attended panel discussions and a vendor exposition showcasing adaptive equipment.

Telling Untold Stories— Erie Canal Artist-in-Residence Program

2024 Erie Canal Artist-in-Residence cohort artists conducted a year-long creative inquiry into the Erie Canal, exploring themes of women and work, religion, and the contemporary visualization of the historic canal. The Artist-in-Residence Program, launched in 2023, fosters dialogue and creates meaningful, thought-provoking interactions that breathe new life into our waterway.



Supporting Our **People** and **Communities**

As we strive to promote New York State’s just energy transition, we prioritize efforts to support the health and well-being of the Authority's employees and to be a good neighbor to the communities in which we operate. The following pages describe how—through community programs, engagement with local and diverse suppliers, employee development initiatives and the celebration of diversity—we are building a resilient social ecosystem that will help New York thrive.

Supporting Our People

Our strength lies in our people. This year, we intentionally focused on inclusion, innovation and accessibility to align with our organizational goal of fostering a collaborative workplace. We aim to ensure that every member of our team is equipped not only with the tools needed for their immediate role but also with opportunities for personal and professional development.

Our policies, programs and initiatives are created to promote an environment where employees feel supported and 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 provides comprehensive health benefits, including physical and mental health, 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, more innovative organization.



Promoting a Diverse and Inclusive Culture

Our commitment to advancing Diversity, Equity, Inclusion and Accessibility (DEIA) is embedded in our strategy as one of VISION2030’s Foundational Pillars. We collaborate with multiple stakeholders to embed equity and inclusion into every level of the organization. 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 for all employees, including diverse and historically underrepresented employees:

 Our Pathways Professional Development program provides group learning, skill application, peer coaching and mentoring to non-managerial people of color employees.

 Our partnership with the McKinsey Connected Leaders Academy (CLA) Management Accelerator Program helps early- to mid-career leaders refine their skills in a cohort learning environment. The McKinsey CLA Executive Leadership program addresses specific challenges faced by Asian, Black and Hispanic/ Latino executives.

 Our Advancing Women Executives Academy offers career accelerator skills, including professional branding, networking and executive presence.

Opportunities are provided at all levels to connect business priorities to DEIA and to foster a culture of psychological safety where all voices are valued. We hosted our annual DEIA Executive Leadership Summit, which focused on accessibility. Leaders gathered to

discuss benevolent marginalization and to identify potential challenges. They also considered how practices and policies can be intentionally designed to ensure that every employee, especially those with visual, hearing or physical impairments, can fully engage in the workplace.

We continued to host regular employee conversations about DEIA. This included a series of conversations called “Catalyst for Change—Dialogue and Growth for Men.” These sessions created a space for male employees to forge deeper, more authentic connections with other men while exploring how to navigate evolving gender roles.

We embed DEIA in our recruiting process by including equity-focused checkpoints at various stages of our hiring process that promote consistent evaluation standards and mitigate bias in decision-making. These checkpoints include using standardized interview questions, broadening hiring panels, providing salary transparency and updating job postings with gender- and disability-inclusive language. In 2024, all of our recruiters completed AIRS® Diversity Recruiter Certification.

Employee Resource Groups

NYPA’s voluntary, employee-led Employee Resource Groups (ERG) are open to all employees and help educate and engage employees with activities that can have a meaningful impact on our business. Our six ERGs are Women in Power, Veterans, Eco Team, Generations, Pride in Power and Multicultural. We launched an expanded demographic survey to learn more about our employees and the different communities they are a part of, including individuals with disabilities, LGBTQIA+, Gender X, Veterans and the National Origin of Asian and Latino employees. As a result of the survey, we are creating a seventh ERG focused on neurodivergence and disabilities, to begin in 2025.

Together for Pride

NYPA celebrated Pride Month with fellow New Yorkers and our partners in other utilities at the New York City, Syracuse, Buffalo and Albany Pride parades. We are proud of our efforts to support LGBTQIA+ rights in the workplace and in the communities we serve.



In 2024, we developed a new ERG policy to facilitate self-organization and provide clear and consistent guidance for operating ERGs. The new policy resulted in pilots of three sub/micro groups at NYPA’s Frederick R. Clark Energy Center for Veterans, Women in Power and Generations.

From embedding equity into our core operations and practices to expanding pathways for inclusive leadership, we have laid a strong foundation for sustainable impact. There is still work to be done but we are committed to deepening our practices, being accountable and building a culture where every employee feels valued and empowered to thrive.

Hudson Valley Honor Flight

On May 18, our Veterans Employee Resource Group participated in a pre-flight send-off and welcome home rally at the Westchester County Airport, with two of our veteran-employees flying to Washington D.C. to visit war memorials with other armed forces veterans.



Global Diversity Awareness Month

During Global Diversity Awareness Month and Global Inclusion Month last year, Haben Girma, noted for being the first deafblind graduate of Harvard Law School, shared insights on her journey and the challenges faced by individuals with disabilities, and highlighted the benefits of creating more accessible and inclusive environments.

Protecting Our People & Promoting Well-Being

Health and Safety

The Authority’s Health and Safety program complies 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 appropriate employee and union representation. These committees ensure training requirements, operational safety communications and escalation resources 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 also made significant progress in injury prevention and ergonomic improvements across multiple locations. Efforts included 91 on-site visits and 369 individual consultations. Those involved in high-risk tasks, including fleet maintenance and mechanical work, received specialized training and engineering modifications to improve safety.

NYPA and Canals employees were offered the opportunity to participate in a safety culture survey in March 2024. The findings indicated that overall safety awareness throughout the Authority trends below the industry average for both Utilities/Power Generation and Port and Harbor Operations. This was discussed with NYPA, Canals and Union leadership in small workshops where five key areas for improvement were identified: Engagement, Communication, Consistency, Training and Stop Work Authority.

To enhance safety culture, three key initiatives will be launched in 2025:

EHS Digital Solution: A digital application for all EHS documentation to improve processes through data analysis and trending.

“Why I Work Safely” Campaign: A company-wide campaign promoting individual reasons for prioritizing safety and helping build a team commitment to safety.

Safety Culture Training: A management training to identify and mitigate hazards and define expectations that prioritize worker safety.

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 financial well-being 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. During 2024, we expanded benefits for pregnant employees, including paid time off for prenatal care. In addition, we installed two ablution stations (“wudus”) adjacent to our prayer room in NYPA’s White Plains office to support Muslim employees’ religious observances. All employees continue to receive annual 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 helps managers identify common signs and symptoms of mental health and substance use challenges. It provides guidance on how to interact with a person in crisis, and how to connect a person with help in handling trauma and substance use, as well as self-care. Eighty-six of the Authority’s managers and those in key roles became certified in 2024.

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, foster learning and provide pathways for fulfilling careers. In 2024, we continued a project to standardize career pathways and streamline job descriptions, focusing on the core knowledge, skills and abilities needed for success. The streamlined descriptions help remove barriers to entry for candidates looking for new opportunities and potentially broaden the pool of qualified candidates. The new job architecture will be used for career and skill development, talent acquisition and market benchmarking.

All full-time management employees have access to our Talent Development curriculum, which provides training opportunities to meet specific learning needs.

2024 Achievements

 We ran two cohorts of our MANAGE Blue program, which provides newer managers with foundational skills required to lead a team. This eight-week learning experience incorporates instructor-led training, assessments to build self-awareness and tools to guide new managers through their transition to people leaders. In fall 2024, our first Canals employee participated in the program.

 Several professional development programs were offered to advance our future leaders pipeline, including Pathways Professional Development Program, Connected Leaders Academy and Advancing Women Executives.

 NYPA partnered with Chief to offer senior-level women employees peer mentoring and education sessions with an external network of other female executives.

 In response to feedback from our last employee engagement survey, we held a Mastering Feedback workshop series to help managers understand the importance of accountability and how feedback is essential in driving it.

 A new cohort of NYPA employees started an MBA in Sustainability through NYPA's partnership with Bard College. Twenty-four employees have graduated from the program.

 We offered technical training opportunities to union employees for a variety of engineering, project management and supervisory disciplines. Courses included Institute of Asset Management Certificate and Diploma, Certified Energy Manager, Substation Design, Transmission Planning and Analysis and NYISO training. In addition, approximately 60 union employees participated in apprenticeship programs.



Engineers Week

In February 2024, NYPA hosted an annual Engineers Cup competition in celebration of Engineers Week. Forty-six teams (158 total participants) from NYPA and Canals competed to build a replica of the Fairport Lift Bridge, on the Erie Canal, with a team of employees from Canals earning the top honors.

We also held an Order of the Engineer Ceremony, which is focused on fostering a sense of pride and responsibility in engineering. In 2024, there were over 60 participants inducted and several engineers renewed their oath to pursue their profession in the spirit of public service.



Visitors Centers

Our visitors centers offer a broad range of resources to school groups and community organizations to bolster community engagement and STEM education, including interactive exhibits, educational programs and seasonal events. At the Blenheim-Gilboa Visitors Center, students engaged in a week-long underwater robotics program in 2024, a collaborative initiative developed with the non-profit Schoharie Mohawk Institute for Science and Technology. The program featured a drone and Unmanned Aircraft System exploration day facilitated by NYPA's Robotics team, where students delved into the applications and operations of unmanned aerial systems.

Supporting Our Communities

Through targeted initiatives aimed at economic development, educational enrichment and positive community engagement, we strive to uplift and empower individuals and communities across New York State.

Being a Good Neighbor

NYPA is driven by our commitment to be a good neighbor to historically disadvantaged communities throughout New York State. We leverage our expertise in energy and energy technology to provide no-cost programs and services that meet the unique needs of our communities. These programs focus on the following areas: energy-related education for youth and adults, workforce pathways, community engagement and community energy projects.

Brentwood School District STEM Education

NYPA partnered with the Brentwood School District on Long Island to bring energy-related education to 7th graders through our Energize-U Youth Programming initiative. More than 1,300 students participated in the program, which focused on the fundamentals of electricity. Throughout the course, students engaged in hands-on activities that taught them about electricity basics and introduced them to renewable resources and their impacts on and benefits to the community.

Green Classrooms

Since 2018, NYPA has supported the installation and maintenance of 36 hydroponic laboratories across New York City schools, producing more than 500 pounds of vegetables per school year. In October, we unveiled an interactive green classroom at Brooklyn's Pathways in Technology Early College High School in Crown Heights. This initiative, featuring hydroponic systems developed by NY Sun Works, includes seeding stations, tower gardens, hanging vines and composting stations.

Future Energy Leaders Program

Our Future Energy Leaders scholarship program awards one-time, \$10,000 scholarships to academically accomplished, under-represented high school seniors who plan to pursue energy-related undergraduate studies. NYPA awarded 20 of these scholarships in 2024.

Since the inception of the program in 2021, NYPA has disbursed scholarships to 50 students, aiming to create a pipeline of well-educated professionals ready to address the future challenges of the energy sector.

Massena Housing Authority

We continued to partner with the Massena Housing Authority to host energy literacy and weatherization workshops; we renovated community spaces with the help of more than 20 NYPA volunteers and upgraded the lighting in residents' units to more energy-efficient LED fixtures.

2,322 students attended STEM education workshops and **745** adults attended Energize-U literacy workshops

66 paid STEM interns and fellows were mentored by NYPA employees as part of our partnership with P-TECH and gained hands-on technical experience

20 Future Energy Leaders Scholarships were awarded

208 employees volunteered at **15** events for a total of **664** volunteer hours

Supporting Local Suppliers and Building a Diverse and Resilient Supply Chain

By prioritizing supplier diversity and providing opportunities to small, local businesses, NYPA can help strengthen local economies and build a more robust and flexible supply chain capable of withstanding disruptions.

We are committed to assisting Minority- and Women-Owned Business Enterprises (MWBE), Service-Disabled Veteran-Owned Businesses (SDVOB) and Small Business owners in building capabilities so they can compete in Authority procurements. To this end, NYPA supports three business development programs: Surety Bond Training, Small and Local Business Capacity Building and Mentor-Protégé.

In July 2024, we celebrated 88 graduates of the Small and Local Business Capacity Building and Surety Bond Training programs. These programs provide comprehensive support to businesses in early- and mid-stages of growth that includes one-on-one advisory services, group discussions and workshops. In November 2024, we convened our third cohort of 101 participants, which includes MWBEs, SDVOBs and New York State small businesses.

Our Mentor-Protégé Program connects small business owners with established prime contractors to gain industry knowledge and insights and improve their chances of successfully competing and winning on projects. NYPA’s Supplier Diversity team provides critical support in establishing the mentor-protégé relationship and guiding capacity-building activities.

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.

We are engaged in enhancing supply chain sustainability and reducing our upstream environmental footprint. In 2024, we focused on setting up a process to collect Environmental Product Declarations for key construction materials, including glass, concrete, steel and asphalt. Beginning in 2024, emissions associated with construction materials are reported annually under New York State Executive Order #22. This data is being used to create a statewide baseline and embodied carbon emission reduction strategy.



Sky Farm LIC

NYPA and the Variety Boys and Girls Club of Queens celebrated the expansion of the Sky Farm LIC rooftop farm in 2024. The farm, which cultivates crops and supports biodiversity through its beehives and bird habitats, also functions as an educational resource for local children and the community. The expansion included new food production areas, walking paths and additional farming supplies.

Looking Forward

Our enhanced strategy, VISION2030 Renewed, is positioning us to diligently manage risks and capitalize on opportunities within the evolving external environment. Climate change presents a significant challenge to our state and economy. The demand for energy is growing, driven by technological innovations such as artificial intelligence and data centers. At the same time, higher interest rates, inflation, supply chain disruptions and uncertainties driven by federal actions pose risks to our operations. We are committed to advancing the transition to renewable energy with our expanded authority and supporting our customers, communities and economy by ensuring that the energy provided is reliable and affordable.

In 2024, the NYISO completed a Reliability Needs Assessment that evaluated the reliability of New York’s bulk electric grid from 2028 through 2034, taking into account peak power demand forecasts, planned transmission upgrades and changes in the generation mix. Key findings highlight the anticipated reliability challenges in New York City beginning in summer 2033, due to increased peak demand for power, the planned retirement of NYPA’s small natural gas power plants and other power system changes. The assessment suggests a pressing need for strategic adjustments to our generation and transmission assets to support the NYISO and ensure reliable power delivery. Based on a 200-MW reduction in its load forecast, the NYISO has determined that it will not solicit solutions to these needs at this time, but warned that narrowing resource margins continue to be a concern. In April 2025, the NYISO published an update to the assessment, showing that reliability needs in New York City continue to increase.

To meet rising system demands, we are undertaking the largest transmission overhaul in decades. We’re also striving to strengthen clean energy partnerships with customers as we transition toward a more sustainable energy landscape.

NYPA is already pursuing renewable energy projects under our expanded authority and announced NYRED’s acquisition of Somers Solar, LLC in early 2025. This marks an important milestone in the expansion of our energy generation in New York.

While we continue our focus under the expanded authority on renewables and energy storage, we are also expanding our efforts to develop new nuclear power in New York State. On June 23, 2025, Governor Hochul directed NYPA to develop and construct a zero-emission advanced nuclear power plant in Upstate New York to support a reliable and affordable electric grid, while providing the necessary zero-emission electricity to achieve a clean energy economy. Under this directive, NYPA will begin by evaluating technologies, business models and locations for this first nuclear power plant and will work to secure the key partnerships needed for the project.

These efforts underscore our commitment to innovation and environmental responsibility, paving the way for a sustainable energy future for New York.





06

DISCLOSURES INDEX

Performance Data

The metrics included in this section cover the period from Jan. 1, 2024, to Dec. 31, 2024. 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 [70](#) and [83](#) 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 following report sections utilize 20-year GWP values from the IPCC’s AR5, in alignment with the CLCPA directive for state entities: Our 2024 Performance, Our Value Creation Model and Decarbonize Electricity Generation.

CO ₂ e, GWP 100-Year (Metric Tons)			
	2022	2023	2024 ¹
Scope 1 Greenhouse Gas Emissions	1,777,830	1,797,507	1,967,626
Scope 2 Greenhouse Gas Emissions (Location-Based)	64,363	38,975	90,659
Scope 2 Greenhouse Gas Emissions (Market-Based)	N/A	38,974	90,524
Total Scope 1 & 2 Emissions (Market-Based)	1,842,193	1,836,481	2,058,150
Scope 3 Cat 1 – Purchased Goods and Services	-	-	28,564
Scope 3 Cat 2 – Capital Goods	-	-	105,274
Scope 3 Cat 3 – Upstream Fuel- and Energy-Related Activities	4,432,440	5,428,374	5,987,905
Scope 3 Cat 6 – Employee Business Travel	616	805	813
Scope 3 Cat 7 – Employee Commuting	6,971	5,545	5,947
Total Reported Scope 3 Greenhouse Gas Emissions	4,440,027	5,434,724	6,128,503
Biogenic (Mobile Sources)	-	-	31

2024 Gases (Absolute Metric Tons) ¹					
	CO ₂	CH ₄	N ₂ O	HFCs	SF ₆
Direct (Scope 1)	1,956,461	37	4	<1	<1
Scope 2 Greenhouse Gas Emissions (Location-Based)	90,429	4	<1	N/A	N/A
Scope 2 Greenhouse Gas Emissions (Market-Based)	90,294	4	<1	N/A	N/A
Scope 3 Cat 1 – Purchased Goods and Services	24,242	123	3	N/A	N/A
Scope 3 Cat 2 – Capital Goods	89,586	481	8	N/A	N/A
Scope 3 Cat 3 – Upstream Fuel- and Energy-Related Activities	5,322,502	23,465	32	N/A	N/A
Scope 3 Cat 6 – Employee Business Travel	765	1	<1	N/A	N/A
Scope 3 Cat 7 – Employee Commuting	5,920	<1	<1	N/A	N/A
Total Reported Scope 3 Greenhouse Gas Emissions	5,443,015	24,070	43	N/A	N/A
Biogenic (Mobile Sources)	31	N/A	N/A	N/A	N/A

2024 Gases, GWP-100 Year (Metric Tons) ¹					
	CO ₂	CH ₄	N ₂ O	HFCs	SF ₆
Direct (Scope 1)	1,956,461	1,037	1,010	89	9,029
Scope 2 Greenhouse Gas Emissions (Location-Based)	90,429	106	124	N/A	N/A
Scope 2 Greenhouse Gas Emissions (Market-Based)	90,294	106	124	N/A	N/A
Scope 3 Cat 1 – Purchased Goods and Services	24,242	3,433	889	N/A	N/A
Scope 3 Cat 2 – Capital Goods	89,586	13,467	2,221	N/A	N/A
Scope 3 Cat 3 – Upstream Fuel- and Energy-Related Activities	5,322,502	657,017	8,386	N/A	N/A
Scope 3 Cat 6 – Employee Business Travel	765	28	20	N/A	N/A
Scope 3 Cat 7 – Employee Commuting	5,920	6	21	N/A	N/A
Total Reported Scope 3 Greenhouse Gas Emissions	5,443,015	673,951	11,537	N/A	N/A
Biogenic (Mobile Sources)	31	N/A	N/A	N/A	N/A

GHG Emissions Intensity			
	2022	2023	2024 ¹
Total Net Power Generation (MWh)	26,389,752	26,924,316	27,414,161
Net Fossil Generation (MWh)	3,951,430	4,304,865	4,789,195
Direct (Scope 1) Total Intensity (MT CO ₂ e/MWh)	0.067	0.067	0.072
Direct (Scope 1) Fossil Intensity (MT CO ₂ e/MWh)	0.450	0.418	0.411

¹ Read the full [statement of Greenhouse Gas Emissions with Independent Accountants’ Review Report](#) (limited assurance, Scopes 1, 2, certain Scope 3 emissions and GHG intensities, 2024) thereon.

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

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

	2022	2023	2024
NOx (excluding N ₂ O) (kg)	242,202	159,132	165,358
SOx (kg)	9,874	9,309	10,122
Volatile Organic Compounds (VOC) (kg)	14,283	18,002	19,421
Hazardous Air Pollutants (HAP) (kg)	14,141	15,063	16,819
Particulate Matter - Total PM (kg)	5,000	13,575	34,720

Water Withdrawal and Consumption

	2023	2024
Total volume of water withdrawn (billion kiloliters) ¹	2,899.49	2,978.85
Water withdrawn from surface water (billion kiloliters)	2899.49	2,978.85
Water withdrawn from ground water (kiloliters)	565,651	700,582
Water withdrawn in regions with high or extremely high baseline water stress (%)	0.0000195	0.00000007
Total volume of water consumed (kiloliters) ²	6,692,587	6,773,822
Water consumed in regions with high or extremely high baseline water stress (%)	8.20	6.51

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 Disposal³

Non-hazardous wastes are not included in reporting scope for 2024 or prior years. NYPA is evaluating ways to track non-hazardous waste in the future.

NYPA Hazardous Waste (Metric Tons) ³			
	2022	2023	2024
Total weight	57.8	9.54	4.02
Recycling	2.71	0.023	0.03
Incineration (mass burn)	5.77	9.15	4.02
Landfill	0.15	0.27	0.00
Other ³	49.2 ⁴	0.10	0.00

Canals Hazardous Waste (Metric Tons) ³			
	2022	2023	2024
Total weight	12.77	11.91	11.98
Incineration (mass burn)	1.33	0.56	0.48
Landfill	8.32	11.35	11.59
Other ⁵	3.12	2.2	0.00

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

⁴ Largely represents sulfuric acid and debris spill response at Flynn.

⁵ Lead-impacted wastewater, treatment via filtration techniques.

2024 Electric Rates and Rate Comparisons

NYPA Customer Segments	NYPA Rates (\$/MWh) ¹	Utility/Market Rate Estimates (\$/MWh)
Residential	N/A	N/A
Hydro Cost-Based (\$)	12.57	40.67
Hydro Economic Development (\$)	42.55	63.63
Hydro Industrial (\$)	34.45	42.85
NYC Governmental (\$)	78.86	110.32
Westchester County Governmental (\$)	65.61	95.87

¹Production rates include market costs that are passed through to customers as incurred by NYPA, as applicable.

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

External Factors ²	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 • Execute long-term contracts • 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 New York State (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

²This list of external factors is not exhaustive.

Headcount¹

Composition by Employment Type			
	Female	Male	Total
NYPA			
Permanent	563	1594	2157
Provisional	6	11	17
Temporary	15	25	40
—or—			
Full time	576	1627	2203
Part time	8	3	11
NYPA Headcount, total	584	1630	2214
CANALS			
Permanent	71	396	467
Provisional	0	5	5
Temporary	4	35	39
—or—			
Full time	75	436	511
Part time	0	0	0
Canals Headcount, total	75	436	511

¹In 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, 2024.

Composition by Gender and Age						
	Females	Females (%)	Males	Males (%)	Total Headcount	Total Headcount (%)
NYPA						
Under 30	59	2.7%	143	6.5%	202	9.1%
30 – 50	306	13.8%	860	38.9%	1166	52.7%
Over 50	219	9.9%	627	28.3%	845	38.2%
Total	584	26.4%	1630	73.6%	2214	100.0%
CANALS						
Under 30	9	1.8%	65	12.7%	74	14.5%
30 – 50	30	5.9%	184	36.0%	214	41.9%
Over 50	36	7.0%	187	36.6%	223	43.6%
Total	75	14.7%	436	85.3%	511	100.0%

Headcount¹ 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	78	191	61	60	55	112	10	15	279	754	1,626
Union	1	7	1	4	5	15	1	9	0	3	92	450	588
Total	2	17	79	195	66	75	56	121	10	18	371	1,204	2,214
CANALS													
Management			0	0	1	0	1	2	0	0	11	30	45
Union			2	1	3	4	3	14	0	3	54	382	466
Total			2	1	4	4	4	16	0	3	65	412	511

¹In 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, 2024.

2024 NYPA DEIA² Recruitment and Engagement Indicators

	Female	Male	POC ⁴	White	Ethnicity Non-Disclosed
Candidate Offers (%)	24.3	58.6	36.5	50.3	13.2
Candidate Hires (%)	25.2	57.7	34.9	52.2	12.9
Staff in Mentorship (3% of eligible management population elected mentoring opportunity) ³	40.0	60.0	100.0	0.0	N/A

²Diversity, equity, inclusion and accessibility

³Mentoring available to permanent management employees with at least a year of service.

⁴People of Color defined as self-identified for race/ethnicity for American Indian, Asian, Black, or African American, Hispanic, or Latino and Two or More Races.

2024 NYPA¹ Gender, Regional Workforce Population, Race or Ethnicity (%) Compared to Utility² and/or New York State³

Gender					Regional Workforce Population (%)								
	NYPA	Utility Benchmark	New York State Population (2018–2022)	New York State Population (2023–2024)	NYPA Total	Capital Region	Central New York	Hudson Valley	Long Island	Mohawk Valley	New York City	North Country	Western New York
Male (%)	73.6	75.7	48.3	51.7	2,214	100	11	1033	17	355	65	292	341
Female (%)	26.4	24.6	51.7	48.3	100 %	4.5 %	0.5 %	46.6 %	0.8 %	16.0 %	2.9 %	13.2 %	15.4 %

Race or Ethnicity																			
				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	12.1	1.7	7.8	12.0	3.8	0.0	2.5	22.7	4.0	5.9	6.4	2.5	2.2	19.1	12.1	10.7	0.9	2.8	2.9
Black or African American, excluding Hispanic or Latino	6.1	7.5	11.9	1.0	6.7	9.1	6.3	9.6	9.7	0.0	8.1	1.9	2.9	20.0	16.9	11.4	1.6	3.0	8.2
Hispanic or Latino	7.6	3.4	15.8	5.0	5.0	0.0	3.8	13.9	18.3	11.8	16.9	1.3	5.3	18.2	21.0	11.6	2.8	7.5	4.8
White, excluding Hispanic or Latino	72.5	84.7	15.6	80.0	76.9	90.9	80.9	52.0	50.9	82.4	53.5	93.4	83.3	39.1	29.8	61.7	89.1	80.8	77.4
Other Race, excluding Hispanic or Latino	1.7	1.0	49.0	2.0	7.5	0.0	6.6	1.8	17.0	0.0	15.1	0.9	6.3	3.6	20.3	4.6	5.7	5.9	6.6

¹Does not include Canals headcount.

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

³NYS 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, 2024

	Female	Male	Total
Under age 30	0	0	0
Age 30–50	11.8	11.8	23.5
Over age 50	29.4	47.1	76.5
Total	41.2	58.8	100.0

NYPA and Canals Supplier Diversity Spend

NYPA and Canals Supplier Diversity spend is based upon established New York State certification requirements and criteria for MWBE¹ and SDVOB² 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	2024
NYS-certified MWBEs (\$) ¹	\$121,662,931
NYS-certified SDVOBs (\$) ²	\$14,941,013

¹ Minority and Women’s Business Enterprise (MWBE)
² Service-Disabled Veteran Owned Business (SDVOB)

Average Hours of Training Per Year Per Employee⁴

NYPA				Canals			
	2022	2023	2024		2022	2023	2024
Female	21.7	28.4	31.7	Female	25.6	31.9	41.0
Male	42.7	50.0	47.4	Male	55.5	56.5	61.3
Total	37.6	44.3	43.3	Total	50.9	52.5	58.3

⁴ In the Disclosures Index, “employees” refers to active permanent, provisional, and temporary employees, full-time and part-time, unless otherwise indicated as of Dec. 31, 2024.

Performance and Career Development Reviews

Overall percentage of full-time NYPA unrepresented employees receiving regular performance reviews. Canals does not have a formal performance review process but is developing a comprehensive plan.

Employees Receiving Performance Reviews (%)			
	2022	2023	2024
Female	90	98	92
Male	94	98	96
Total	93	98	95

Collective Bargaining Agreements

Employee composition as of Dec. 31, 2024

Employees Covered by Collective Bargaining Agreements (%)			
	Female	Male	Total
NYPA	17	83	26.6
Canals	3.3	86.7	91.2

Work-Related Injuries

NYPA Health & Safety Performance			
	2022	2023	2024
Employee DART rate	1.20	0.80	0.99
Total employee recordable injury rate	2.06	1.55	2
Total employee serious injuries ¹	2	2	0
Total employee fatality rate	0	0	0
Number of near misses	439	395	424

Canals Health & Safety Performance			
	2022	2023	2024
Employee DART Rate	2.66	3.96	4.57
Total employee recordable injury rate	4.35	6.05	0
Total employee serious injuries ¹	0	1	2
Total employee fatality rate	0	0	0
Number of near misses ²	Data not available	Data not available	Data not available

¹This 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 OSHA'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. 1, 2024 to Dec. 31, 2024.
GRI 1 Used	GRI 1: Foundation 2021

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 2: General Disclosures 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 2024 Integrated Report	
2–3	Reporting period, frequency and contact point	About Our 2024 Integrated Report	Jan. 1, 2024 to Dec. 31, 2024 Annual
2–4	Restatements of information		We have revised the calculation methodology for water withdrawal since 2022; therefore we are including only data from 2023 onwards.
2–5	External assurance		NYPA obtained independent limited assurance for Scopes 1, 2, certain Scope 3 emissions and GHG intensities, 2024 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 (including joint ventures), as well as bulk electric system, power plant, Canal System, railway and energy efficiency projects. Nearly 4,000 contractors, consultants and equipment suppliers, among others, are engaged to support NYPA and Canals.
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 Disclosures 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	A Message From the Chairman Maintaining Sound Governance	
2–12	Role of the highest governance body in overseeing the management of impacts	A Message From the Chairman 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 Disclosures 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); 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 job grade 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 as a result 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 for the first 6% of pre-tax or Roth contributions at a rate of \$0.50 per dollar. 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, part B reimbursement and life insurance plans.

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 2: General Disclosures 2022			
Governance			
2–20	Process to determine remuneration		The Power Authority of the State of New York 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 is able to 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 grade depends upon an individual's skill and experience.
2–21	Annual total compensation ratio		Annualized base ratio 3.1, annualized actual earnings 3.36 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 0.76. Information based on all NYPA and Canals full-time represented and non-represented individuals employed for the full year 2024. (Part-time employees make up less than 2% of the population; 2024 hires make up 14.9% of the population.) Ratio for increase in annual actual compensation is based on same criteria for individuals employed the full year of 2023 and 2022.
Strategy, Policies and Practices			
2–22	Statement on sustainable development strategy	A Message From the Chairman A Message From the President & CEO	
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 our material ESG issues. These include NYPA's Code of Conduct, eGRC Governance, Health & Safety Program, Reasonable Accommodations, Anti Retaliation, Workplace Violence, Equal Employment Opportunity, Anti-Harassment, Anti-Discrimination, Environmental, Internal Controls, FERC Standards of Conduct (SOC), Energy Market Manipulation, NERC Critical Infrastructure Protection (CIP), Risk & Resilience, Cyber Security, Guidelines for Procurement Contracts, Expenditure Authorization Procedure, Strategic Supply Management, Supplier Diversity, Environmental Health & 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 Code of Conduct. Additional information on policy commitments relating to specific material ESG issues can be found in Our Governance and throughout the report.

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 2: General Disclosures 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 more than 360 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. NYPA also has 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 2024, NYPA began consolidating 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. Our enterprise-wide DEIA summit is focused on ensuring and expanding 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 potential financial and operational risks at contract award and to monitor suppliers throughout the project lifecycle. Other examples include NYPA's public fast chargers (EVolve NY charging network) where vendors operate 24/7 call centers and staff monitor PlugShare scores, charger data and emails from end users. NYPA processes are also overseen by regulatory agencies, such as the North American Electric Reliability Corporation (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 Labor Relations' Anti-Discrimination Investigations Division, and/or externally by federal, state, and local enforcement bodies (ex: Equal Employee Opportunity Commission; New York State Division of Human Rights).

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 2: General Disclosures 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 Equal Employee Opportunity 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 (Equal Employment Opportunity 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 and do not constitute “non-compliance.” NYPA and Canals do not have any significant instances of non-compliance with laws and regulations to report for the 2024 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; 2022: 7, 2023: 12, 2024: 8. 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 Disclosures 2022			
Stakeholder Engagement			
2–29	Approach to stakeholder engagement	Stakeholders Partners With Customers and the State Supporting Our People and Communities	We view engaging our stakeholders 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, community engagement 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	Sustainability and Our Material Matters	
3–2	List of material topics	Sustainability and Our Material Matters	
3–3	Management of material topics	Sustainability and Our Material Matters	

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 101: Biodiversity			
101–1	Policies to halt and reverse biodiversity loss		NYPA does not have a formal biodiversity policy. Instead, it has made public commitments to support biodiversity and nature in its corporate strategy and 2021–2025 Sustainability Plan. In 2024, NYPA completed a nature materiality screening and risk assessment to identify nature-related priorities most material to its business. NYPA is now developing goals and targets in alignment with those of the Kunming-Montreal Global Biodiversity Framework. In its 2021–2025 Sustainability Plan, NYPA committed to supporting biodiversity and natural carbon storage and to protecting riparian ecosystems across its operating system. In support of these commitments, NYPA has been establishing pollinator habitat across its sites, increasing the canopy cover of native trees and identifying opportunities to improve forest health. Through the FERC relicensing agreements for our hydroelectric facilities, NYPA implements habitat improvement projects for key taxa. NYPA also distributes native trees to our 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 and we distributed 1,491 trees in 2024. For information on our Transmission ROW vegetation management policies, see “Sustainability Spotlight: Protecting Healthy Ecosystems” On the Canal System, the Earthen Embankment Integrity Program allows for the establishment of approved native plants along certain sections of non-hazard embankment lengths. This program aims to support biodiversity without compromising the integrity of these water-impounding structures.
101–2	Management of biodiversity impacts		NYPA complies with all relevant state and federal environmental regulations to help protect nature. Beyond compliance, NYPA has a policy to minimize the spread of invasive species on its ROWs. NYPA’s subsidiary, the Canal Corporation, has developed a Round Goby Rapid Response Plan to mitigate the spread of invasive round goby. Canals is developing a comprehensive aquatic invasive species management and rapid response plan for the entire Canal System. For information on our contractual habitat improvement projects, see the response to the Access and Benefit Sharing disclosure below. NYPA also executes voluntary habitat restoration projects to further support biodiversity. In 2024, Canals completed a large wetland enhancement project in the Montezuma wetlands to support wildlife and enhance water flows. A native pollinator garden and ecological educational exhibit were installed at NYPA’s Niagara Power Vista Visitors Center in 2023 and 2024 to offer free, educational programming on the value of biodiversity. Biodiversity management plans are available for Wilson Hill Wildlife Management Area. Additionally, a Round Goby Rapid Response plan was published to guide Canal’s management response to the invasive round goby. The Authority observes good offset practices in part through the Tree Power Program. Additional information can be found in “Sustainability Spotlight: Tree Power Program”. NYPA partners with local stakeholder groups to provide biodiversity benefits for our stakeholders. In 2024, NYPA donated native trees to local community organizations in Buffalo; these organizations offer education and training on tree planting best practices and support the required maintenance of the trees. 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		The process of relicensing NYPA hydroelectric facilities with FERC 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 visitors centers, located at our hydroelectric facilities, 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.

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 101: Biodiversity			
101–4	Identification of biodiversity impacts		In 2024, NYPA completed its first Nature Impact Assessment, including a materiality screening to identify the residual impacts of our operations on nature.
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 as having high terrestrial biodiversity, significant ecological communities or matrix forest blocks. St. Lawrence-FDR Power Project (29,755 acres): NYPA’s hydroelectric St. Lawrence-FDR Power Project has an abundance of wildlife habitat and provides critical ecosystem services such as natural carbon storage, biodiversity, flood mitigation and outdoor recreation. The site includes areas of high terrestrial biodiversity, significant ecological communities and matrix forest habitat, whose size, contiguous nature and condition allow for the maintenance of ecological processes. The site includes areas managed for ecological preservation (Wilson Hill Wildlife Management Area) and public outdoor recreation (e.g. Robert Moses State Park) and numerous other public parks, trails, boat launches and fishing access points. While the area has immense natural resource value, it is also classified by the federal Environmental Protection Agency as an Area of Concern due to the ecological degradation of shorelines. NYPA continues to implement habitat improvement projects required through its FERC relicensing contracts and to fund habitat conservation. Invasive species are common along the project’s disturbed roadways and are managed through mowing and washing vehicles to prevent the spread of propagules. Smart Path (St. Lawrence-FDR 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 significant ecological communities. Champlain Canal (4,166 acres): This section of the New York State Canal System has recently been identified by the state Department of Environmental Conservation as a key area to mitigate the spread of aquatic invasive species. The Canal 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.
GRI 201: Economic Performance 2016			
201–1	Direct Economic value generated and distributed		• Operating revenues: \$3.4 billion • Operation and maintenance expenses excluding employee wages and benefits: \$288 million • Employee wages and benefits: \$483 million • Payments to providers of capital, based on interest on all forms of debt and borrowings: \$151.3 million (\$119 million in interest and \$32.3 million in principal repayments) • Economic value retained: please refer to financial statements for consolidated net income and earnings before interest, depreciation and amortization (EBIDA): \$623 million
201–2	Financial implications and other risks and opportunities due to climate change	Preserve Hydropower Revitalize the Canal System	

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 203: Indirect Economic Impacts 2016			
203–1	Infrastructure investments and services supported	Partners With Customer and the State Revitalize the Canal System	NYPA makes significant investments in the development of customer-sited solar and storage, decarbonization leadership, implementation of energy efficiency projects at customer facilities, design and installation of electric vehicle charging infrastructure at customer and public locations, and 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. The Canal Corporation is making investments that will yield positive impacts for communities and local economies by promoting outdoor recreation and fishing, encouraging canal side living and expanding regional tourism. The new Brockport Pedestrian Bridge across the Erie Canal will be completed in the summer of 2025 and will provide an important recreation connection from the SUNY Brockport campus to the Erie Canalway Trail. A wetlands enhancement project in the Montezuma Wetlands Complex was completed at the end of 2024. Many of our capital projects are still in design, so it is too early to assess the community impact, but programs such as On the Canals, Public Fishing and Ice Breaking have made very positive impacts on Canals communities. Our fishing program has had five successful seasons and will continue into 2025. Our sixth season of On the Canals excursions to promote recreation and tourism along the Canals will also continue in 2025. Revitalize the Canals projects are all public benefit projects for which we are not receiving any revenue.
GRI 204: Procurement Practices 2016			
204–1	Proportion of spending on local suppliers	Supporting Local Suppliers and Building a Diverse and Resilient Supply Chain	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: 43%
GRI 302: Energy 2016			
302–1	Energy consumption within the organization		- Fuel consumption from non-renewable sources (fossil fuels, nuclear, etc.): 35,386 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): 10,713,143 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: 0.015
302–4	Reduction of energy consumption	Decarbonizing NYPA's Buildings and Vehicle Fleet	NYPA tracks reductions in energy consumption achieved through energy efficiency initiatives as part of the BuildSmart 2025 program. Under this program, NYPA has an overall energy savings target of 0.12 Tbtu from a FY14–15 baseline by 2025. Energy reductions are calculated at the project level, typically supported by an American Society of Heating, Refrigerating, and Air-Conditioning Engineers analysis. At of the end of 2024 NYPA has implemented projects (to at least “Substantial Progress” as defined by the BuildSmart 2025 Program Guidelines) to achieve a 0.1088 Tbtu reduction towards the overall goal. Additionally, NYPA has been finalizing a Clean Energy Master Plan, a living document that recommends and tracks energy conservation measures across NYPA's and Canals’ building portfolio toward meeting the BuildSmart 2025 energy reduction goal.

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 303: Water and Effluents 2018			
303–1	Interactions with water as a shared resource	Preserve Hydropower	With respect to the hydroelectric generating facilities, each power project utilizes a certain amount of water to generate power for users statewide. The project is required to meet state standards, regulated by the state Department of Environmental Conservation, 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 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 NYPA's Environmental, 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, NYPA 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 priority due to the reliance of hydroelectricity generation on predictable supplies of clean water, 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. 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.
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	Decarbonize Electricity Generation Performance Data	The Authority's base year for Scope 1 GHG emissions is 2023. 2023 Scope 1 emissions were 1,795,235 MT CO ₂ e, 20-year GWP and 1,797,507 MT CO ₂ e, 100-year GWP.																													
305–2	Energy indirect (Scope 2) GHG emissions	Decarbonize Electricity Generation Performance Data	The Authority's base year for Scope 2 GHG emissions is 2023. 2023 Scope 2 (market-based) emissions were 39,063 MT CO ₂ e, 20-year GWP and 38,974 MT CO ₂ e, 100-year GWP.																													
305–3	Other indirect (Scope 3) GHG emissions	Decarbonize Electricity Generation 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. <table><tr><th colspan="3">2023 Base Year</th></tr><tr><th>Category</th><th>20-year GWP</th><th>100-year GWP</th></tr><tr><td>Scope 3 category 3 (upstream fuel- and energy-related activities)</td><td>6,839,130 MT CO₂e</td><td>5,428,374 MT CO₂e</td></tr><tr><td>Scope 3 category 6 (business travel)</td><td>782 MT CO₂e</td><td>805 MT CO₂e</td></tr><tr><td>Scope 3 category 7 (employee commuting)</td><td>5,555 MT CO₂e</td><td>5,545 MT CO₂e</td></tr><tr><th colspan="3">2024 Base Year</th></tr><tr><th>Category</th><th>20-year GWP</th><th>100-year GWP</th></tr><tr><td>Scope 3 category 1 (purchased goods and services)</td><td>35,426 MT CO₂e</td><td>28,564 MT CO₂e</td></tr><tr><td>Scope 3 category 2 (capital goods)</td><td>132,199 MT CO₂e</td><td>105,274 MT CO₂e</td></tr></table>			2023 Base Year			Category	20-year GWP	100-year GWP	Scope 3 category 3 (upstream fuel- and energy-related activities)	6,839,130 MT CO ₂ e	5,428,374 MT CO ₂ e	Scope 3 category 6 (business travel)	782 MT CO ₂ e	805 MT CO ₂ e	Scope 3 category 7 (employee commuting)	5,555 MT CO ₂ e	5,545 MT CO ₂ e	2024 Base Year			Category	20-year GWP	100-year GWP	Scope 3 category 1 (purchased goods and services)	35,426 MT CO ₂ e	28,564 MT CO ₂ e	Scope 3 category 2 (capital goods)	132,199 MT CO ₂ e	105,274 MT CO ₂ e
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305–4	GHG emissions intensity	Decarbonize Electricity Generation 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 Local Suppliers and Building a Diverse and Resilient Supply Chain	
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, independent assessment against the NIST Cyber Security Framework (CSF) 2.0 and the BitSight Cybersecurity score. In the most recent BitSight assessment, NYPA and Canals averaged 760 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: 99.2%; GWP-100: 99.1% 3. GWP-20: 99.2%; GWP-100: 99.1% % 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: 6,525,948 MT CO ₂ e GWP-100: 6,514,194 MT CO ₂ e 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	Decarbonize Electricity Generation	IF-EU-110a.3
	1. Number of customers served in markets subject to renewable portfolio standards (RPS) and 2. percentage fulfillment 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	Air emissions of the following pollutants: 1. NOx (excluding N ₂ O), 2. SOx, 3. particulate matter (PM10), 4. lead (Pb), and 5. mercury (Hg); percentage of each in or near areas of dense population	Quantitative	1. Performance Data 2. Performance Data 3. Performance Data 4. Not applicable 5. Not applicable NYPA does not own or have specified coal generation contracts. Percentage of each applicable pollutant’s air emissions in or near areas of dense population: 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 2024, NYPA had one incident of non-compliance that resulted in a formal enforcement action involving electronic reporting of Discharge Monitoring Reports which was administratively resolved. Four 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 two incidents of permit non-compliance related to dredging in 2024. 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 Preserve Hydropower	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
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

Topic	Metric	Category	Response	Code
Workforce Health & Safety	1. Total recordable incident rate (TRIR), 2. fatality rate and 3. near miss frequency rate (NMFR)	Quantitative	Performance Data	IF-EU-320a.1
End-Use Efficiency & Demand	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
	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 and increase generation and transmission efficiency across the transmission system—not tied to specific loads.	IF-EU-420a.2
	Customer electricity savings from efficiency measures, by market	Quantitative	2022: 15,710 MWh 2023: 40,360 MWh 2024: 42,906 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
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.	IF-EU-550a.2
	Number of: 1. residential, 2. commercial and 3. industrial customers served	Quantitative	1. NYPA does not directly serve residential customers. 2., 3. NYPA has 1,136 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 2. commercial 3. industrial 4. all other retail customers 5. wholesale customers	Quantitative	1. Not applicable. NYPA does not directly serve residential customers. 2., 3. Direct Sales to Commercial and Industrial Customers (includes sales to 789 companies and not-for-profit organizations): 8,090,000 MWh 4. Sales to Municipal Electric Systems, Rural Electric Cooperatives, and Other Public Customers (includes sales to 51 municipal electric utility systems, four rural electric cooperative systems and more than 100 public agencies in New York State, seven neighboring states and nine host communities): 16,102,000 MWh Sales to Utilities and the New York Independent System Operator (NYSISO) for Resale (includes sales to the five investor-owned utilities in NYS, the Long Island Power Authority and the NYSISO. Portions were designated for resale to residential and farm customers or to business and not-for profit customers in the state.): 15,985,000 MWh Total electricity sold across above categories: 40,177,000 MWh	IF-EU-000.B
	Length of transmission and distribution lines	Quantitative	Transmission lines: 1,550.4 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	2024 Net Generation: 27,414,161 MWh Hydropower: 83% Fossil: 17% Includes Blenheim-Gilboa pumped storage facility at net generation. Gross generation was 354,605 MWh	IF-EU-000.D
	Total wholesale electricity purchased	Quantitative	Total purchases, excluding electricity consumed at generating facilities: 8,423,000 MWh	IF-EU-000.E

07 FINANCIAL STATEMENTS





NEW YORK POWER AUTHORITY
(A Component Unit of the State of New York)

Financial Report
December 31, 2024 and 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2025 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, 2025

March 27, 2025

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, 2024 and 2023, 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 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

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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. 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 Expanded Authority (defined in "Expanded Authority" section in MD&A). Refer to Note 18 of notes to the consolidated financial statements for more information on NYREDHC. 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 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 three parts: Management's discussion and analysis ("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.

Management's discussion and analysis provide an overview of the Authority's financial information for the year ended December 31, 2024, with comparative information as of and for the year ended December 31, 2023 and 2022. GASB Statements No. 99, 100, and 101 were evaluated and adopted in 2024, and have been reflected in 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 Canal Corporation, SFP (Refer to section SFP in MD&A), Captive and NYREDHC.

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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 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:

<u>Trustee Member</u>	<u>Term Expiration</u>
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 the 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.

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Summary of Consolidated Revenues, Expenses and Changes in Net Position

The following is a summary of the Authority's consolidated financial information for 2024, 2023 and 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2024 vs. 2023</u>	<u>2023 vs. 2022</u>
		(\$ In millions)		favorable (unfavorable)	favorable (unfavorable)
				(\$ in millions)	
Operating revenues	\$3,436	\$3,034	\$4,007	\$402	(\$973)
Operating expenses:					
Purchased power	678	605	839	(73)	234
Fuel oil and gas	214	176	470	(38)	294
Transportation and delivery	1,174	1,107	1,304	(67)	197
Operations and maintenance	771	723	756	(48)	33
Depreciation and amortization	353	307	411	(46)	104
Total operating expenses	<u>3,190</u>	<u>2,918</u>	<u>3,780</u>	(272)	862
Operating income	<u>246</u>	<u>116</u>	<u>227</u>	130	(111)
Nonoperating revenues and gains	85	94	(11)	(9)	105
Nonoperating expenses	<u>172</u>	<u>80</u>	<u>86</u>	(92)	6
Total nonoperating income (expense)	<u>(87)</u>	<u>14</u>	<u>(97)</u>	(101)	111
Net income and change in net position	159	130	130	29	-
Net position - beginning	<u>5,075</u>	<u>4,945</u>	<u>4,815</u>		
Net position - ending	<u>\$5,234</u>	<u>\$5,075</u>	<u>\$4,945</u>		

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", are 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.

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). The CEEC, Smart Path, and SPC Projects are collectively referred to as "Separately Financed Projects" or "SFP".

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. This issuance underscores the Authority's commitment to strong governance practices by supporting its capital plan, maintaining asset integrity, and investing in infrastructure projects. The Authority entered the market with positive momentum, bolstered by two ratings upgrades and attracted 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.

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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. For the year ended 2024, financial information relating to the SFP shows operating revenue of \$192 million and net income of \$107 million. For the year ended 2024, Captive had operating revenue of \$7 million and net income of \$11 million. NYREDHC had no revenue and net income in 2024 (refer note 18 in Notes to the Consolidated Financial Statements). Refer to Required Supplementary Information for detailed Financials.

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.

The Authority had a net income and change in net position of \$130 million for the year ended December 31, 2023, compared to \$130 million net income in 2022, remaining unchanged year over year. Operating income decreased by \$111 million due to lower prices on market-based sales of energy and capacity. Operating expenses were \$862 million lower, primarily due to the \$528 million decrease in purchased power and fuel and oil and gas costs related to lower prices. The transportation and delivery expenses were \$197 million lower primarily due to lower prices. Depreciation and amortization expenses were \$104 million lower as the arrangement with Astoria Energy II ("AEII") (Refer Note 15 of notes to the consolidated financial statements for more information on AEII) no longer met the definition of a lease with the adoption of GASB Statement No. 87("GASB No. 87") in 2022.

Operating Revenues

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

Operating revenues were \$973 million lower in 2023 vs 2022, primarily due to lower market energy prices, and lower pass-through transmission revenues partially offset by higher hydro production.

Purchased Power and Fuel and Oil and Gas

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.

Purchased power and fuel/oil/gas costs decreased by \$234 million and \$294 million, respectively in 2023 vs 2022. The decrease was primarily due to lower fuel costs resulting from lower gas prices partially offset by higher volumes.

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Operations and Maintenance (O&M)

O&M expenses increased by \$48 million in 2024 vs 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.

O&M expenses decreased by \$33 million in 2023 vs 2022 primarily driven by lower employee benefit cost.

Nonoperating Revenues, Gains and (Losses)

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 revenues increased by \$105 million in 2023 vs 2022 primarily due to higher investment income and an increase in the market value of the investment portfolio.

Nonoperating Expenses

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 (d) of notes), full year impact of interest expense of \$32 million on 2023A Bonds and provision related to workforce training initiatives pursuant to NYPA's Expanded Authority, \$21 million per Memorandum of Understanding between NYPA and the Department of New York State Labor.

Nonoperating expenses decreased by \$6 million in 2023 vs 2022 primarily due to the Astoria Energy II ("AEII") arrangement not meeting the definition of a lease per GASB No. 87 adopted in 2022.

EBIDA

Reconciliation of Net Income to EBIDA

	<u>2024</u>	<u>2023</u>	<u>2022</u>
		(\$ In millions)	
Net Income	\$ 159	\$ 130	\$ 130
Add:			
Interest (w/o AEII)	111	80	57
Interest (AEII)	-	-	29
Depreciation & amortization (w/o AEII)	353	307	257
Depreciation & amortization (AEII)	-	-	154
EBIDA (w/ AEII)	<u>\$ 623</u>	<u>\$ 517</u>	<u>\$ 627</u>
EBIDA (w/o AEII)	<u>\$ 623</u>	<u>\$ 517</u>	<u>\$ 444</u>

Note: AEII represents the arrangement with Astoria Energy II (Refer Note 15 of notes to the consolidated financial statements).

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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.

In 2022, with the adoption of GASB No. 87, the arrangement with Astoria Energy II ("AEII") no longer met the definition of a lease under the accounting rule. Year over year EBIDA without AEII impact increased from \$444 million to \$517 million in 2023 and \$623 million in 2024.

Net Generation

Authority's generation and power purchases for 2024 was 40.6 million megawatt-hours ("MWhs") with corresponding revenues from power and energy sales of \$3.4 billion (this includes power sales, transmission, transportation & delivery charges, excludes non-utility revenue of \$57 million). For 2023, on a comparative basis, it was 39.8 million MWhs with revenue of \$2.9 billion (this includes power sales, transmission, transportation & delivery charges, excludes non-utility revenue of \$41 million).

Authority's own generation was 27.4 million MWhs in 2024 and 26.9 million MWhs in 2023. Net generation from the Niagara and St. Lawrence hydroelectric plants in 2024 (22.7 million MWhs) was 0.22% higher than in 2023 (22.6 million MWhs) due to the marginally increased hydro flows to the Niagara and St. Lawrence hydroelectric plants. Net hydro generation for 2024 and 2023 were both approximately 106% of the 30-year average of 21.4 million MWhs. The combined net generation of fossil fuel plants for 2024 was 4.8 million MWhs, or 11% higher than in 2023 (4.3 million MWhs).

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Summary of Consolidated Statements of Net Position

The following is a summary of the Authority's consolidated statements of net position for 2024, 2023 and 2022:

	<u>2024</u>	<u>2023</u> (\$ In millions)	<u>2022</u>	<u>2024 vs.</u> <u>2023</u> (\$ In millions)	<u>2023 vs.</u> <u>2022</u>
Current assets	\$2,703	\$2,549	\$2,223	\$154	\$326
Capital assets	7,298	6,908	6,413	390	495
Other noncurrent assets	1,099	896	962	203	(66)
Deferred outflows of resources	<u>247</u>	<u>327</u>	<u>477</u>	(80)	(150)
 Total assets and deferred outflows	 <u>11,347</u>	 <u>10,680</u>	 <u>10,075</u>	 667	 605
 Current liabilities	 1,315	 1,105	 1,091	 210	 14
Noncurrent liabilities	<u>4,010</u>	<u>3,770</u>	<u>2,975</u>	240	795
 Total liabilities	 <u>5,325</u>	 <u>4,875</u>	 <u>4,066</u>	 450	 809
 Deferred inflows of resources	 788	 730	 1,064	 58	 (334)
 Net investment in capital assets	 3,463	 3,361	 3,486	 102	 (125)
Restricted	453	321	87	132	234
Unrestricted	<u>1,318</u>	<u>1,393</u>	<u>1,372</u>	(75)	21
Net position	<u>5,234</u>	<u>5,075</u>	<u>4,945</u>		
 Total liabilities, deferred inflows and net position	 <u>\$11,347</u>	 <u>\$10,680</u>	 <u>\$10,075</u>	 \$667	 \$605

Investments and Net Position for 2023 and 2022 have been reclassified to align with the 2024 presentation (Refer to Note 4(q) of notes to the consolidated financial statements for more information on reclassification).

The following summarizes the Authority's consolidated statements of 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 other post-employment benefits other than pension ("OPEB") assets and an increase to regulatory assets for Allowance for Funds Used During Construction ("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 the defeasance of prior debt, \$260 million and principal payments of \$32 million. Deferred inflows of resources increased by \$58 million primarily due to an increase in pension valuation.

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The following summarizes the net position variances for the year 2023 and 2022:

In 2023, current assets increased by \$326 million to \$2,549 million due to an increase in cash and cash equivalents and investment in securities related to the 2023A Bonds issuance. Capital assets increased by \$495 million to \$6,908 million, compared to 2022, due to increased spending on transmission capital projects. Other noncurrent assets decreased by \$66 million, primarily due to a decrease in the pension assets resulting from lower investment market performance. Deferred outflows decreased by \$150 million primarily due to changes in the deferral of other post-employment benefits other than pension (OPEB"), as well as the decrease in the outflow of accumulated hedging derivatives. Current liabilities increased by \$14 million primarily due to the increase of long-term debt due within one year \$31 million, partially offset by lower accruals for economic development programs, \$25 million and other miscellaneous liabilities. Other noncurrent liabilities increased by \$795 million primarily due to the increase in long-term debt of \$751 million due to the issuance of 2023A Bonds (NYPA issued \$734 million of 2023A bonds at a premium). Deferred inflows of resources decreased by \$334 million primarily due to \$224 million and \$70 million of pension and OPEB valuation, respectively, and the balance due to a decrease in deferred transmission congestion contract ("TCC") auction revenues, \$64 million, partially offset by an increase in the cost of removal obligations, \$34 million.

Capital Assets

The Authority estimates that it will expend approximately \$5.3 billion (\$3.9 billion for various capital improvements, which include \$699 million for renewables development, \$316 million to Revitalize the Canals with a primary focus on maintaining and improving Canal infrastructure), and \$1.4 billion for Energy Efficiency Services projects with a primary objective of helping the State to reduce its energy consumption and cut energy costs over the four-year period of 2025-2028. 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.

The Authority's capital plan includes \$1.4 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.

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Projected capital requirements during 2025-2028 (in millions):

Renewables Development	\$699
Transmission Business Development	590
Propel NY Energy	316
Revitalize the Canals*	316
White Plains Office Building Facilities	280
IT Programs (Application, Core, Cyber, Data, Other Key Projects)	260
Stewart Avenue - Uniondale Hub Substation Upgrade	241
Key Transmission Projects	164
SFP Related Projects**	140
Next Generation Niagara	137
Transmission Life Extension and Modernization (T-LEM)	99
Niagara and St. Lawrence Crane Replacement Program	75
Project Luminate (Enterprise Resource Planning - ERP)	68
JW Massena Canal Dam	43
Strategic EV Charging Station Installations	42
All Other	467
	<u>\$3,937</u>

* 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.

See Note 20 in Notes to Consolidated Financial Statements, Other Developments, for details on certain projects listed above.

The above expenditure excludes \$1.4 billion for Energy Efficiency Services projects over 2025-2028.

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

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Long-Term Debt Activity

Capital Structure	2024	2023	2022
		(\$ In Millions)	
Long-term debt, net of current maturities			
General Resolution:			
Senior:			
Revenue bonds	\$ 1,805	\$ 1,519	\$ 1,624
Subordinated:			
Subordinated Notes, Series 2017 and 2012	-	35	36
Separate Revenue Bond Obligation:			
Transmission Resolution Revenue Bonds (1)	<u>1,367</u>	<u>1,391</u>	<u>659</u>
Total long-term debt, net of current maturities	3,172	2,945	2,319
Net Position	<u>5,234</u>	<u>5,075</u>	<u>4,945</u>
Total capitalization	<u>\$ 8,406</u>	<u>\$ 8,020</u>	<u>\$ 7,264</u>
Long-term debt to equity ratio	0.61	0.58	0.47
Long-term debt to equity ratio (excluding Transmission Resolution Revenue Bonds)	0.37	0.32	0.34

(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.

To maintain the weighted average cost of capital formula rate, as approved by the Federal Energy Regulatory Commission ("FERC") in a 2016 rate filing, long-term debt cannot exceed equity. Long-term debt to equity (long-term debt/net position) ratio was at 0.61-to-1 as of December 31, 2024 (Long-term debt \$3.17 billion and equity \$5.23 billion) vs. 0.58-to-1 as of December 31, 2023 (Long-term debt \$2.94 billion and equity \$5.07 billion).

Under the General Bond Resolution, long-term debt to equity (long-term debt/net position) ratio as of December 31, 2024, and 2023, was at 0.37-to-1 (Long-term debt \$1.81 billion and equity \$4.91 billion) and at 0.32-to-1 (Long-term debt \$1.55 billion and equity \$4.86 billion), respectively. \$438 million, consisting of the Series 1, and Series 2 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.

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	<u>Moody's</u>	<u>Standard & Poor's</u>	<u>Fitch</u>	<u>KBRA</u>
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 2024, 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 2024, Kroll Bond Rating Agency ("KBRA") upgraded the General Resolution Revenue Bonds Senior Long-Term Rating to AA+ from 'AA' with a stable outlook. KBRA also upgraded the Transmission Resolution Revenue Bonds rating to 'AA' from 'AA-'.

Authority's General Resolution Fund Reserves

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. A number of internal reserves have 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, 2024, the Debt Service Reserve balance was \$104 million.

The Energy Hedging Reserve was established to have funds available for use as collateral that may be required to support the Authority's authorized fuel and energy hedging transactions. On December 31, 2024, the Energy Hedging Reserve balance was \$90 million.

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, 2024, the Spent Fuel Reserve balance was \$258 million.

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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 a portion of debt and a portion of equity. This reserve has been established to provide the equity portion. On December 31, 2024, the Capital Project Reserve balance was \$339 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, 2024, the Authority held \$67 million in Committed Funds in the Operating Fund.

Separately Financed Projects ("SFP")

a) Overview

As referred to in the "Summary of Consolidated Revenues, Expenses and Changes in Net Position" section in the MD&A and further in the Notes to the Consolidated Financial Statements (See Note 3), the proceeds, \$608 million and \$734 million, in 2022 and 2023 respectively, from the issuance of the Transmission Resolution Revenue Bonds are being used to fund capital and other expenditures of SFP, 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.

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

b) 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 that the costs will be allocated to all ratepayers in the State. The project includes the update of obsolete wood pole structures with higher, steel pole structures, as well as 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 in subsection "d" below) is complete. NYPA anticipates that 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, 2024, NYPA had a capital spend of \$456 million (excluding capitalized interest) for the Smart Path project, 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 6 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"). Project closeout and site restoration are ongoing with expected completion in 2025.

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.

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

NYPA executed a Memorandum of Understanding ("MOU") with North America Transmission ("NAT"). The MOU provided that, if any of NYPA/NAT proposals are accepted, NYPA, at its sole discretion, may elect to purchase an ownership share in the project(s) or operate and maintain the project(s). In December 2016, the Authority's Trustees approved funding in the amount of approximately \$1 million for NYPA's share of expenses pursuant to the MOU.

In June 2018, NYPA and NAT entered into a Participation Agreement that supersedes the MOU, which granted NYPA the option to secure an ownership interest of up to 37.5% in the jointly proposed projects. In April 2019, the NYISO board selected the project proposed by LS Power Grid New York, LLC (formerly known as NAT) and NYPA for Segment A (also known as the Marcy to New Scotland Upgrade Project) to increase transfer capability from central to eastern New York. In July 2020, the Authority's Trustees approved NYPA's request to exercise its 37.5% purchase option. LS Power Grid New York, LLC transferred its project assets and assigned the participation agreement to LS Power Grid New York Corporation I ("LS Corp.") on January 27, 2020. A development agreement relating to Segment A among the NYISO, LS Corp., and NYPA was executed on February 3, 2020, filed with FERC on March 4, 2020, and accepted for filing by the FERC on April 16, 2020.

The NYISO estimated the total cost of the Segment A project to be about \$750 million. In August 2019, LS Power and NYPA submitted an Article VII application to the New York State Public Service Commission ("NYSPSC"), and NYPA filed a petition for incentive rate treatment with FERC pursuant to Section 219 of the Federal Power Act. The petition was approved effective November 21, 2019. This included a 50 basis-point return on equity ("ROE") risk adder (permitting a 9.45% ROE for the project) conditioned upon the FERC's acceptance of a future Authority filing to incorporate the ROE risk adder and a cost containment provision into its transmission formula rate. Upon FERC's acceptance of LS Power's cost containment mechanism in June 2021, the Authority sought to incorporate into its formula rate (a) substantially the same cost containment mechanism and (b) the ROE risk adder, both of which FERC granted in September 2021, thus authorizing the full recovery of NYPA's Segment A project costs inclusive of the requested transmission incentives.

The Commission approved the Article VII Certificate and the first Environmental Management and Construction Plan ("EM&CP") on January 21, 2021. The fourth and final EM&CP was filed and approved by the Department of Public Service ("DPS") in May 2022. 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 of 2023.

As of December 31, 2024, NYPA had a capital spend of \$235 million for CEEC. The CEEC project was funded with proceeds from the 2022A Bonds as mentioned above. The project is 100% placed in service with minor closeout and restoration items being completed. See Note 3 on Separately Financed Projects for further information.

d) Smart Path Connect

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

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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 currently 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 will be 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 NYS renewable energy consumption, as well as the efficiency of energy pricing throughout the state. Construction is underway along the right of way and within substations. As of December 31, 2024, 38 miles of transmission line upgrades have been completed and breakers at the Ryan and Patnode substations have been energized.

As of December 31, 2024, NYPA had a capital spend of \$746 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 \$877 million. Due to inflation and supply chain challenges, NYPA is currently evaluating the total project cost estimate including contingencies.

e) 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 allocates the appropriate share of depreciation and amortization expense, 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 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 over \$4.1 billion in energy efficiency projects, yielding over 1,890 GWH estimated annual savings statewide. The Authority offers comprehensive

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energy efficiency services tailored to each participant's needs. Services include but are not limited to 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 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, 2024, the outstanding balance for energy efficiency and clean energy technologies projects in the Authority's balance sheet was a total of \$580 million, with \$296 million of the loan balance and \$284 million of energy efficiency program cost that will be billed to the customers.

Economic Conditions

In December 2020, the Authority's Trustees approved its strategic plan, VISION2030. VISION2030 provides a roadmap for transforming the State's energy infrastructure to a clean, reliable, resilient, and affordable system over the next decade. VISION2030 focuses on five strategic priorities to achieve the clean energy goals of the Authority's customers and the State; the Authority's intention to preserve the value of hydroelectric generation; facilitate the rapid development of transmission assets; pioneer the path to decarbonization while ensuring reliability, resilience, and affordability of the state's electric grid; partner with customers to deliver clean and affordable energy solutions and adaptively reimagine the New York State canal system. Five foundational pillars: digitalization, best-in-class environmental, social, and governance ("ESG") performance and reporting; leadership in diversity, equity, and inclusion ("DEI") priorities; enterprise resilience; and resource alignment (i.e., process excellence, workforce planning, and knowledge management initiatives) support VISION2030. The costs and revenues with respect to the plan are reflected in the Authority's 2025-2028 financial plan.

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 are 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 affect or impact the Authority's operations and if such laws are enacted, what the impact of such actions might be in the future.

Climate Leadership and Community Protection Act

New York has among the most ambitious climate and clean energy goals in the nation, calling for an orderly and just transition to clean energy that creates jobs and fosters the nascent green economy in the State. Enshrined into law through the Climate Leadership and Community Protection Act ("CLCPA"), New York is making progress towards its clean energy goals, including the 70 percent by 2030 renewable energy target, the 100% by 2040 zero-emissions electricity target, and the economy-wide carbon neutrality by 2050 target. Achieving the CLCPA's targets for decarbonizing power generation will require a broad range of investments, including developing 45 GW (26 GW of land-based renewables, 9 GW of offshore wind, and 10 GW of distributed solar) of renewables by 2035; accelerating transmission network upgrades to integrate renewables and alleviate load pockets; and ensuring grid reliability and flexibility through an integrated set of solutions including 3 GW of energy

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storage (subsequently increased to 6 GW through Gubernatorial action), dispatchable clean generation, and demand-side solutions. New York's targets for decarbonizing beyond the power sector include the reduction of statewide energy use by 185 trillion British thermal units ("TBtu"); electrification of transportation; and coordinated electrification of building heating and industrial processes. The Authority's clean energy programs, projects, and initiatives are crucial in supporting the achievement of the CLCPA goals and ensuring an equitable transition to thriving clean energy.

Accelerated Renewable Energy Growth and Community Benefit Act

The Accelerated Renewable Energy Growth and Community Benefit Act (the "Renewable Energy Act") was enacted as part of the 2020-21 Enacted State Budget. The purpose of the enactment is to promote planning and prioritize the development of new and upgraded distribution and transmission infrastructure in the state, accelerate the siting of renewable energy projects, and provide benefits to local communities where renewable generation will be sited. In summary, the Renewable Energy Act:

- Establishes a new Office of Renewable Energy Siting, through which the State will consolidate the environmental review of major renewable energy facilities.
- Provides accelerated timetables for review of applications for major utility transmission facilities.
- Authorizes New York State Energy Research and Development Authority ("NYSERDA") to undertake several "host community benefit" programs to provide benefits to residents of local communities where new renewable general projects are slated for development.
- Directs the DPS, in consultation with 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 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 PTPs 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.

Sustainability

The Authority is committed to developing and implementing sustainable business practices that prioritize economic as well as ESG outcomes that are expected to contribute to long-term value creation for the Authority and its stakeholders. To this end, the Authority has identified ESG as a Foundational Pillar of VISION2030. In 2020, guided by the *Global Reporting Initiative Standards* and the *AA1000 Accountability Principles*, the Authority developed and published the NYPA and Canals' 2021-25 Sustainability Plan, which is intended to serve as a roadmap to help bring the Authority's ESG ambition

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to life. The Plan outlines the goals, strategies, and initiatives the Authority is committed to across each of 15 ESG focus areas which align with and support VISION2030 objectives.

The Authority issued 2020 and 2021 Annual Reports and Sustainability Reports and 2022 and 2023 Integrated Reports that describe its progress in achieving VISION2030 and 2021-25 Sustainability Plan goals. NYPA is currently preparing its 2024 Integrated Report. 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 2023 Integrated Report can be accessed at [NYPA 2023 Integrated Report](#). The 2024 Integrated Report will be issued in the third quarter of 2025.

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 emission levels. Participating states have 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 has set the applicability at 20MW or greater. 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 last calculated in March 2021 and the adjustment will be made over a five-year period (2021-2025), as specified in the 2017 Model Rule. Central to this initiative is the implementation of a multi-state cap-and-trade program with a market-based emissions trading system. 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 that is used if emission reduction costs are higher than projected, and (2) an emission containment reserve to withhold allowances from circulation if credit prices fall below an established trigger price (i.e., when emission reduction costs are lower than expected). The Authority's Richard M. Flynn Power Plant, the Small Natural Gas Power Plants, and Eugene W. Zeltmann Power Plant 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 is monitoring proposed federal and state legislation, regulations, and programs (including any changes to RGGI) that would impact carbon dioxide emission levels.

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 hydro 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 Expanded 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

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uncertainty which impacts revenue and costs 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, as a result of the termination of the Tier 4 contract between Clean Path NY and NYSERDA, 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. The petition describes the Clean Path Transmission Project as the transmission portion of the Clean Path NY Project that was the subject of the Tier 4 contract between Clean Path New York LLC and NYSERDA. The PTP process was first established by Section 7(5) of the Renewable Energy Act. The Renewable Energy Act contains provisions to facilitate new and upgraded distribution and transmission projects that are necessary for the state to avoid congestion and reach the CLCPA targets. The Legislature found that the Authority owns and operates backbone electric transmission assets in the State, has rights-of-way that can support in whole or in part bulk transmission investment projects, and has the financial stability, access to capital, technical expertise and experience to effectuate expeditious development of bulk transmission investments needed to help the State meet its targets under the CLCPA. As such, the Renewable Energy Act grants the Authority the sole authority to petition the NYSPSC to approve PTPs and the ability to develop PTPs which the NYSPSC determines should be pursued expeditiously to promote the State's public policy goals.

Pursuant to the Renewable Energy Act, the Authority is authorized to solicit interest from potential co-participants in each PTP it agrees to develop and assess whether any joint development would provide for significant additional benefits in achieving the CLCPA targets. The Authority may then undertake the development of PTP on its own or undertake the PTP jointly with one or more other parties. A joint development of PTP may be accomplished through agreements on such terms and conditions as the Authority finds to be appropriate and necessary in order to undertake and complete timely development of PTP. Any such PTP could be designated as an SFP Transmission Project and financed with additional Transmission Resolution Revenue Bonds issued pursuant to the Transmission Bond Resolution.

The Clean Path Transmission Project includes the construction of a new approximately 178-mile High Voltage Direct Current transmission line at an estimated cost of \$5.2 billion. Previously, Forward Power—a joint venture between EnergyRe, LLC and Invenergy, LLC—and the Authority, were collaborating on the transmission line portion of the Clean Path Transmission project. However, Forward Power and the Authority are no longer collaborating on this project at this time. Facilitating the rapid development of transmission assets is one of the Authority's strategic priorities to achieve the clean energy goals of the Authority's customers and the State, and the Authority intends to pursue all opportunities to advance this strategic priority. Refer to the section 'Economic Conditions' above for more information on VISION2030.

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Propel New York Energy Project

On June 20, 2023, the NYISO publicly 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 New York 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 the 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 deliverability of renewable offshore wind. More specifically, 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, estimated to cost approximately \$3.3 billion, will 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, also has a right to increase its investment to 30% of the total project cost.

On July 22, 2024, NYPA was conditionally awarded (pending contract negotiation) \$44 million by the U.S. Department of Energy ("USDOE") to support community initiatives in certain disadvantaged communities along the proposed Propel project. These community initiatives would include energy audits and energy efficiency projects with local community-based partners, tied to community education and training opportunities. This grant award was from the Inflation Reduction Act's ("IRA") Transmission Siting and Economic Development Grant Program. On January 20, 2025, the Trump Administration issued Executive Order 14154 *Unleashing American Energy*, which put a 90-day freeze on all pending Infrastructure Investment and Jobs Act ("IIJA") and Inflation Reduction Act ("IRA") grant activity so that the new Administration can review all outstanding items. As a result of that Executive Order, this grant opportunity is currently on hold pending Federal review.

NYPA has requested and 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. FERC conditionally granted NYPA's ROE Risk Incentive request effective July 11, 2024, subject to a compliance filing implementing NYPA's proposed cost containment mechanism. On December 6, 2024, FERC accepted NYPA's compliance filing for Propel NY in full.

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

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

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As identified in NYISO's final report, upgrades to NYPA's existing Stewart Avenue-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, has placed orders for long-lead power equipment, and continues work on permitting, environmental site investigations, and overall planning for implementation of the substation upgrades. Further, NYPA is currently amending the development agreement with NYISO for change in the substation from Air insulated substation ("AIS") to Gas insulated substation ("GIS"). The substation upgrade is estimated to cost \$341 million.

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

Robotics and Drone Program

The Authority's Robotics program has expanded its capabilities beyond Unmanned Aerial Systems ("UAS") to include ground-based robotics and other innovative technologies, all while maintaining its commitment to safety and operational excellence. Today, with more than 140 certified pilots and a growing fleet of drones, the Robotics Program supports long-endurance aircraft, confined space drones, and is currently evaluating ground-based solutions such as Wall climbers & Robotic Dogs. The Robotics program is exploring aquatic based systems i.e., submarines and boats for new applications. The program completed over 1,563 arial missions in 2024, enhancing the safety and reliability of the Authority's operations across its transmission, generation, and Canal's infrastructure. Additionally, the program has obtained all necessary FAA waivers to enable full operational capabilities over these assets.

The next steps for the Robotics Program include continuing to expand its capabilities and integrating advanced technologies into NYPA's infrastructure. These advancements will ensure the program remains a national leader in leveraging robotics for utility operations.

On July 27, 2023, the Authority's Trustees authorized a Capital Expenditure Authorization of \$11 million for the implementation of foundational measures for an UAS Drone and Robotics Program. Additionally, the Authority's Trustees provided concurrence with the five-year implementation plan of the UAS Drone and Robotics Program, which has a total program cost of \$37 million. The remaining balance of \$26 million, after the \$11 million authorization, will be requested to continue the advancement and build out of the program.

As of December 31, 2024, the total spend on the Drone and Robotics Program was \$8 million.

Rate Actions

Power and energy from the St. Lawrence-FDR and Niagara hydroelectric facilities 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 remaining available energy is sold into the NYISO market.

The charges 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 New York State, two public transportation agencies, three investor-owned utilities for the benefit of their rural and domestic customers, seven Niagara relicensing "host communities," Tuscarora Nation, and public customers in

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seven neighboring states have been established based on the cost of power produced by those hydroelectric facilities, which is considered NYPA's Preference Power rate.

Niagara's Expansion & Replacement Power, St. Lawrence-FDR's Preservation Power, and ReCharge New York's customers are dedicated 45% and currently allocated over 35% of the average generation capacity of the plants and the allocation varies as additional power is awarded to eligible customers. Their rates are subject to annual adjustment based on the average of three contractually agreed-upon economic indices reflecting changes in industrial energy prices.

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, has been 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 contains provisions for employment (450 jobs) and capital commitments (\$14 million). Changes from the previous contract include 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, New York 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. Contract extension discussions are currently in progress, but the new contract will be subject to the Board of Trustees and Governor approval.

ReCharge New York ("RNY") is the Governor's statewide economic development electric power program, designed to retain and create jobs through the allocation of low-cost preservation power. The RNY program allocates 455 MW of hydropower from NYPA's Niagara and St. Lawrence-FDR projects at Preservation Power rates, which are similar to the Expansion and Replacement power customer rates, with certain adjustments. An additional 455 MW of market power can also be procured for RNY customers upon contractual agreement.

Various New York City ("NYC") governmental agencies are served by NYPA's combined-cycle 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 NYC governmental customers, including the 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, and remaining six key governmental customers. Under these Supplemental LTAs, the NYC governmental customers agreed to purchase their electricity from NYPA through December 31, 2027, with the NYC governmental customers having the right to terminate at any time upon at least 12 months' notice during the first five years of the agreement (December 31, 2022). Thereafter, both NYPA and the NYC governmental customers may terminate the agreement upon at least six months' notice. Under the Supplemental LTA's fixed costs for NYPA's services as well as Zeltmann plant were contractually set for each customer, and the fixed agreed amounts are recovered from the customers regardless of their load usage. 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. For years 2023-2027, to

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provide better price certainty, NYPA is offering an annual fixed price energy purchase option to the NYC governmental customers.

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. Net costs and benefits to NYPA for both facilities are directly passed through to the NYC governmental customers. The AEII plant is under contract with the customers until June 30, 2031, while the Zeltmann plant contract expires at the end of 2027. 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 customers, which helps to hedge against the fluctuating energy purchase power costs. All net costs of NYPA under the power purchase agreement with Astoria Energy are billed monthly to the NYC governmental customers. An equal amount of revenue is recognized during the period related to reimbursements from the NYC governmental customers.

NYPA's other Southeastern New York governmental customers are Westchester County and numerous municipalities, school districts, and other public agencies located in Westchester County (collectively, the "Westchester Governmental Customers"). NYPA has entered into an evergreen supplemental electricity supply agreement with all 103 Westchester Governmental Customers. Among other terms of 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 hydroelectric plants. The remainder of the Westchester Governmental Customers' load requirements are supplied through energy and capacity purchased from the NYISO markets. Sales of energy generated by the small hydroelectric resources into the NYISO markets, as well as grandfathered and historic fixed-priced transmission congestion contracts, all 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 3-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.

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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%. The proposed base ROE rate was determined utilizing FERC Commission methodologies and found to be within their zone of reasonableness. FERC accepted NYPA's filing in December of 2024, made effective November 2024 subject to refund pending hearing and settlement procedures. Settlement discussions between NYPA and its interested parties are currently underway.

Effective July 1, 2024, the Transmission Revenue Requirement is \$527 million, which includes revenue requirements for the NTAC, Marcy South Series Compensation, and AC Transmission (renamed as Central East Energy Connect) projects.

On December 10, 2024, the Authority's Trustees approved the filing of a Notice of Proposed Rulemaking, or NOPR, to increase our Preference Power rates, which initiated a 60-day public comment period as prescribed by State Administrative Procedure Act ("SAPA"). NYPA held two public forums on January 29, 2025, and February 4, 2025, to offer ratepayers the opportunity to comment publicly on the proposed rate action. Based on the comments from the public hearings, various elected officials, including the Governor, the Authority's management has filed a Notice of Withdrawal with the NYS Department of State to officially terminate the NOPR, thus leaving existing Preference Power rates intact for the time being.

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 currently 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.

As more specifically described in the enactment, and subject to limitations described therein, the 2019-20 Enacted State Budget (2019-20 ESB) amended the Power Authority Act to authorize the Authority, subject to feasible and advisable determinations by the Authority's Trustees, to: (1) design, finance, develop, construct, install, lease, operate and maintain electric vehicle charging stations throughout the state for use by the public; (2) plan, finance, construct, acquire, operate, improve and maintain, either alone or jointly with one or more other entities, transmission facilities for the purpose of transmitting power and energy generated by renewable wind energy generation projects that are located in State territorial waters, and/or in waters under the jurisdiction or regulation of the U.S.; (3) supply certain market power and energy and renewable energy products to any Authority customer, public entity, or community choice aggregation ("CCA") community in the State (collectively, "Eligible Entities"); and (4) alone or jointly with one or more other entities, finance the development of renewable energy generating projects that are located in the State, including its territorial waters, and/or on property or in waters under the jurisdiction or regulatory authority of the United States, purchase power, energy or related credits or attributes produced from such renewable energy generating projects, and allocate and sell such products to Eligible Entities. The Authority may exercise any of this authority at its discretion, and the amendments made by 2019-20 ESB do not affect the Authority's previously existing statutory authority.

On July 18, 2019, the State enacted the CLCPA. The CLCPA sets renewable energy targets for the state, including 70% renewable energy by 2030, a 100% emissions-free grid by 2040, 9,000 Megawatts

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("MW") of offshore wind, 6,000 MW of photovoltaic solar generation and 3,000 MW of energy storage. The CLCPA further directs the New York State Department of Environmental Conservation (the "NYSDEC") to develop regulations to reduce statewide greenhouse gas emissions ("GHG") to 60% of 1990 levels by 2030 and 15% of 1990 levels by 2050. NYSDEC is currently drafting regulations that would implement these and other related goals.

Several provisions of CLCPA could potentially impact the Authority's business and operations, such as the following: (1) a requirement that specified State entities, including the Authority, adopt regulations to contribute to achieving statewide GHG emissions; (2) a requirement that State entities, including the Authority, assess and implement strategies to reduce GHG emissions; (3) consideration of whether actions that the Authority would undertake in the course of its operations are consistent with State GHG emission limits that will be established pursuant to the enactment; and (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 that could impact the Authority are not likely to be implemented for years based on deadlines established in the enactment. Therefore, the Authority is not in a position at this time to evaluate the impact of any particular provision of CLCPA on the Authority's business and operations.

As part of the 2020-2021 Enacted State Budget, legislation was enacted that is expected 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. The Renewable Energy Act will improve and streamline the process for environmentally responsible and cost-effective siting of large-scale renewable energy projects across the State while delivering significant benefits to local communities. The Renewable Energy Act will accelerate progress toward the State's clean energy and climate goals, including the goal to obtain 70% of the State's electricity from renewable sources by 2030.

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.

Expanded Authority

As more specifically described in the enactment, and subject to the limitations described therein, the 2023-2024 Enacted State Budget amended the 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 ("Expanded Authority"); (b) authorize the Authority to develop and implement, with the 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

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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 from smaller scale projects (<5 MW) as early as 2026, and large-scale projects 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. By January 2025, the Authority pre-qualified 89 renewable developers and partners to collaborate with, on renewable energy generation projects. The Authority issued its first strategic plan on January 28, 2025, which identifies and prioritizes actions to develop more renewable resources and support the decarbonization of New York State's electric grid, including projects the Authority plans to develop, own, and support in the upcoming years. The initial draft of the strategic plan was made available to the public on October 8, 2024, commencing a 60-day public comment period, with the Authority holding 12 public hearings in the month of November and receiving over 5,000 written public comments.

The Authority, through NYREDHC, plans to invest \$699 million in renewable energy generating projects from 2025 through 2028. The Authority's final strategic plan issued on January 28, 2025, identified the first tranche of 37 projects totaling 3.0 GW of renewable energy generation and storage systems. The Authority will continue to evaluate, conduct due diligence, and identify co-development opportunities with the private market to maximize its renewable energy portfolio buildout.

Other State Legislation

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 fifteen 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.

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

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Act consolidates the environmental review, permitting and siting of both major renewable energy facilities and major electric transmission facilities under the purview of the Office of Renewable Energy Siting within the Department of Public Service. 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.

The above actions, as described in the enactment, are executable as deemed advisable and feasible by the Authority's Trustees.

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

New York State Budget /Other Matters

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.

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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 2.0 (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.

Section 18 of Part PP of Chapter 56 of the Laws of 2023, part of the 2023-2024 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 and directed 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, 2023, to support energy-related State activities.

Chapter 56 of the Laws of 2024, part of the 2024-2025 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 and directed 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.

Chapter 56 of the Laws of 2024, part of the 2024-2025 Enacted State Budget, also provides that notwithstanding any provision of law to the contrary, as deemed feasible and advisable by the Authority's Trustees, the Authority is authorized and directed 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. In 2024, the Authority's Trustees authorized the total expenditure of \$21 million for such programs.

The above actions, as described in the enactment, are executable as deemed advisable and feasible by the Authority's Trustees.

The 2025-26 proposed State Budget introduced by Governor Hochul states that the Authority, as deemed feasible and advisable by its Trustees, is authorized to transfer to the State Treasury to the credit of the General Fund up to \$25 million or as described in the MOU between the Authority and the Department of Labor, for the state fiscal year commencing April 1, 2025, the proceeds of which will be utilized to support programs established or implemented by or within the 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. This proposed transfer to the State Treasury is not enacted into state law and would not become effective until it is passed by the Legislature and approved by the Governor.

The 2025-26 proposed State Budget introduced by Governor Hochul would state that the Authority, as deemed feasible and advisable by its Trustees, is authorized and directed 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, the proceeds of which will be utilized to support energy-related state activities. This proposed

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transfer to the State Treasury is not enacted into state law and would not become effective until it is passed by the Legislature and approved by the Governor.

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

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 her 2025-2026 proposed State Budget, Governor Hochul proposed to re-appropriate this \$50 million appropriation. It is important to note that the Governor's proposed State Budget has not been enacted yet and is subject to change.

The 2025-26 proposed State Budget introduced by Governor Hochul includes a separate appropriation that would provide \$50 million to the Authority for services, expenses, and indirect costs related to maintenance, repair, construction, reconstruction and development and preservation of the New York State canal system. This proposed appropriation to the Authority is not enacted into state law and would not become effective until it is passed by the Legislature and approved by the Governor.

Memorandum Of Understanding ("MOU") With U.S. Army

The Authority recently announced a first-of-its-kind agreement with the United States Army. The signed MOU allows the Authority and the United States Army to collaborate on new opportunities that advance the United States Army's decarbonization initiatives at military facilities in New York State. Under the MOU, the Authority is authorized to provide low-cost energy, energy efficiency and conservation services and facilities that could assist the United States Army in future decarbonization and resiliency initiatives. These efforts could lead to the development of on-site clean energy facilities at United States Army installations statewide and help the surrounding communities reduce their carbon footprint and improve energy efficiency.

This MOU will also create opportunities for local collaborations between military and civilian entities, including veteran-owned businesses, and streamline development of an energy efficient defense corridor that could cross from Watertown to Syracuse to Rome and beyond.

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 tax incentives and credits such as the IRA, 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

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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 flows of the Authority. Management of 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.

Labor Contracts

NYPA reached an agreement with the International Brotherhood of Electrical Workers on a labor contract that covers over 550 represented employees at the Authority's Blenheim-Gilboa Pumped Storage Project, 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. Also, an agreement was executed with the Utility Workers Union of America on a labor contract that covers over 20 represented employees at Zeltmann. This agreement, which is retroactive to January 1, 2023, runs through April 30, 2028.

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

The impact due to the change in agreements, considered immaterial, has been reflected appropriately in the Authority's financials for the reported period.

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 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 are 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 10, 2024, the Canal Corporation's Board of Directors adopted a budget for 2025-2028 that consisted of expenditures for operations and maintenance expenses and capital expenses. The Authority's budget and financial plan for 2025-2028 includes Canal-related operating expenditures averaging approximately \$104 million per year and capital expenditures of

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approximately \$79 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. \$10 million, of the \$50 million appropriated, 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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Assets and Deferred Outflows		
Current assets:		
Cash and cash equivalents		
Unrestricted	\$ 274	\$ 310
Restricted	69	167
Capital Funds	82	3
Total Cash and cash equivalents	425	480
Investment in securities		
Unrestricted	946	969
Restricted	240	428
Capital Funds	453	136
Total Investment in securities	1,639	1,533
Receivables - customers	384	269
Materials and supplies:		
Plant and general	80	75
Fuel	51	51
Miscellaneous receivables and other	124	141
Total current assets	2,703	2,549
Noncurrent assets:		
Capital assets:		
Non-depreciable capital assets	1,362	1,028
Depreciable capital assets, net of accumulated depreciation	5,936	5,880
Total capital assets	7,298	6,908
Other long-term assets	1,099	896
Total noncurrent assets	8,397	7,804
Total assets	11,100	10,353
Deferred outflows of resources:		
Asset retirement obligation	17	19
Decrease in fair value of derivatives	20	40
Pensions	128	140
Postemployment benefits other than pensions	82	128
Total deferred outflows of resources	247	327
Total assets and deferred outflows of resources	\$ 11,347	\$ 10,680

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)

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Liabilities, Deferred Inflows and Net Position		
Current liabilities:		
Accounts Payable and accrued liabilities	\$ 857	\$ 845
Short-term debt	438	227
Long-term debt due within one year	20	33
Total current liabilities	1,315	1,105
Noncurrent liabilities:		
Long-term debt:		
General Resolution:		
Senior Revenue bonds	1,805	1,519
Subordinated Notes	-	35
Separate Revenue Bond Obligation:		
SFP Bonds 2022	617	640
SFP Bonds 2023	750	751
Total long-term debt	3,172	2,945
Other noncurrent liabilities:		
Disposal of spent nuclear fuel	258	245
Relicensing	223	223
Other long-term liabilities	357	357
Total other noncurrent liabilities	838	825
Total noncurrent liabilities	4,010	3,770
Total liabilities	5,325	4,875
Deferred inflows of resources:		
Unearned revenue	27	45
Cost of removal obligations	476	435
Accumulated increase in fair value of derivatives	-	4
Pensions	66	11
Lease revenue	43	45
Postemployment benefits other than pensions	176	190
Total deferred inflows of resources	788	730
Net Position:		
Net investment in capital assets	3,463	3,361
Restricted	453	321
Unrestricted	1,318	1,393
Total net position	5,234	5,075
Total liabilities, deferred inflows of resources and net position	\$ 11,347	\$ 10,680

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	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Operating revenues:		
Power sales	\$ 2,060	\$ 1,773
Transmission	509	473
Transportation and delivery	810	747
Other	57	41
Total operating revenues	3,436	3,034
Operating expenses:		
Purchased power	678	605
Fuel oil and gas	214	176
Transportation and delivery	1,174	1,107
Operations and maintenance	771	723
Depreciation and amortization	353	307
Total operating expenses	3,190	2,918
Operating income	246	116
Nonoperating revenues, gains (losses) and (expenses):		
Investment income	72	84
Interest on long-term debt	(135)	(111)
Interest - other	(33)	(28)
Interest capitalized	52	58
Amortization of debt premium	5	1
Other	(48)	10
Total nonoperating expenses	(87)	14
Net income and change in net position	159	130
Net position, January 1	5,075	4,945
Net position, December 31	<u>\$ 5,234</u>	<u>\$ 5,075</u>

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	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash flows from operating activities:		
Customer sales	\$ 3,227	\$ 3,045
Disbursements for:		
Purchased power	(685)	(601)
Fuel oil and gas	(200)	(192)
Transportation and delivery	(1,167)	(1,089)
Operations and maintenance	(763)	(742)
Net cash provided by operating activities	<u>412</u>	<u>421</u>
Cash flows from capital and related financing activities:		
Gross additions to capital assets	(676)	(699)
Proceeds from issuance of Green Bonds	513	751
Issuance costs paid on debt	(5)	(10)
Repayment/defeasance of bonds	(275)	(108)
Repayment of notes/bonds	(32)	(2)
Interest paid, net	(119)	(95)
Net cash used in capital and related financing activities	<u>(594)</u>	<u>(163)</u>
Cash flows from noncapital-related financing activities:		
Energy conservation program payments received from participants	255	334
Energy conservation program costs	(352)	(269)
Proceeds from issuance of commercial paper	273	138
Repayment of commercial paper	(62)	(91)
Interest paid on commercial paper	(13)	(6)
Margin Deposits with Brokers	16	37
Other	10	-
Net cash provided by noncapital-related financing activities	<u>127</u>	<u>143</u>
Cash flows from investing activities:		
Earnings received on investments	99	53
Purchase of investment securities	(2,347)	(4,550)
Maturities/sale of investment securities	2,248	4,223
Net cash used in investing activities	<u>0</u>	<u>(274)</u>
Net (decrease) increase in cash	<u>(55)</u>	<u>127</u>
Cash and cash equivalents, January 1	<u>480</u>	<u>353</u>
Cash and cash equivalents, December 31	<u><u>425</u></u>	<u><u>480</u></u>
Reconciliation to net cash provided by operating activities:		
Operating income	246	116
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	353	307
Net (increase) in miscellaneous prepayments and other	(52)	(49)
Net (increase) decrease in receivables and materials and supplies	(115)	109
Net (decrease) in accounts payable/accrued liabilities and other	(20)	(62)
Net cash provided by operating activities	<u><u>\$ 412</u></u>	<u><u>\$ 421</u></u>

See accompanying notes to the consolidated financial statements.

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)

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Assets:		
Cash and cash equivalents	\$ 75	\$ 56
Receivables:		
Due from broker for investments sold	34	17
Investment income	<u>1</u>	<u>1</u>
Total receivables	<u>35</u>	<u>18</u>
Investments at fair value:		
Domestic equity	220	171
International equity	94	89
Global Index Fund	170	190
International contrarian value fund	60	42
Real Estate (REIT)	42	39
Fixed Income	<u>157</u>	<u>152</u>
Total investments at fair value	<u>743</u>	<u>683</u>
Total assets	<u>853</u>	<u>757</u>
Liabilities:		
Payables:		
Accrued liability	17	10
Due to broker for investments purchased	<u>6</u>	<u>-</u>
Total liabilities	<u>23</u>	<u>10</u>
Net position available for postemployment benefits other than pensions	<u><u>\$ 830</u></u>	<u><u>\$ 747</u></u>

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

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)

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Additions, gains and (losses):		
Employer contributions	\$ 30	\$ 30
Investment income:		
Net increase / (decrease) in fair value of investments	74	62
Interest and dividend income	13	12
Less: investment and administrative expenses	<u>(4)</u>	<u>(10)</u>
Net investment (loss)	<u>83</u>	<u>64</u>
Total additions, gains and (losses)	113	94
Deductions:		
Benefits payments	<u>30</u>	<u>30</u>
Total deductions	<u>30</u>	<u>30</u>
Changes in net position	<u>83</u>	<u>64</u>
Net position available for postemployment benefits other than pensions - beginning of year July of preceeding year	<u>747</u>	<u>683</u>
Net position available for postemployment benefits other than pensions - end of year June of reporting year	<u>\$ 830</u>	<u>\$ 747</u>

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

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

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"), NYPA 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 both NYPA and the Canal Corporation's financial information. The financial information for the Captive and NYREDHC is stated separately.

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

NYPA has aligned its mission with the clean energy goals of New York State set forth in the New York State Climate Leadership and Community Protection Act ("CLCPA") enacted in 2019 and the Accelerated Renewable Energy Growth and Community Benefit Act enacted in 2020 (the "Renewable Energy Act").

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 hydroelectric facilities with a total installed capacity of approximately 6,000 MW, and approximately 1,550 circuit miles of transmission lines, including major 765 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 hydroelectric facilities (Niagara and St. Lawrence-FDR), a large pumped-storage hydroelectric facility (Blenheim-Gilboa), the Eugene W. Zeltmann (Zeltmann or 500-MW Plant) combined cycle electric generating plant located in Queens, New York and the Richard M. Flynn combined cycle plant located in Holtsville, in Long Island, New York. NYPA's customers include municipal and rural electric cooperatives located throughout the State, local governments, investor-owned utilities ("IOUs"), high load factor industrial customers, commercial/industrial and not-for-profit businesses, various public corporations located within 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") which is 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.

Legislation enacted on April 4, 2016 (the "Canal Transfer Legislation") provided for (1) the transfer, effective January 1, 2017, of the Canal Corporation from the Thruway Authority to NYPA, and (2) as of January 1, 2017, NYPA's assumption from the Thruway Authority of powers and duties relating to 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

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

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. The Canal Corporation is responsible for the Canal System.

Legislation enacted in May of 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 currently 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. NYPA was authorized to exercise and perform its Expanded 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 Expanded Authority.

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

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

A. Statements of Net Position (In millions)

	NYPA		SFP		Captive		NYREDHC		Total	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
Current assets	\$ 2,307	\$ 1,959	\$ 174	\$ 480	\$ 122	\$ 110	\$ 100	\$ -	\$ 2,703	\$ 2,549
Capital assets	5,787	5,721	1,511	1,187	-	-	-	-	7,298	6,908
Other noncurrent assets	1,064	879	35	17	-	-	-	-	1,099	896
Total assets	9,158	8,559	1,720	1,684	122	110	100	-	11,100	10,353
Deferred outflows of resources	247	327	-	-	-	-	-	-	247	327
Total assets and deferred outflows of resources	\$ 9,405	\$ 8,886	\$ 1,720	\$ 1,684	\$ 122	\$ 110	\$ 100	\$ -	\$ 11,347	\$ 10,680
Current liabilities	\$ 1,279	\$ 1,023	\$ 31	\$ 78	\$ 5	\$ 4	\$ -	\$ -	1,315	1,105
Noncurrent liabilities	2,643	2,379	1,367	1,391	-	-	-	-	4,010	3,770
Total liabilities	3,922	3,402	1,398	1,469	5	4	-	-	5,325	4,875
Deferred inflows of resources	788	730	-	-	-	-	-	-	788	730
Net position	4,695	4,754	322	215	117	106	100	-	5,234	5,075
Total liabilities, deferred inflows of resources and net position	\$ 9,405	\$ 8,886	\$ 1,720	\$ 1,684	\$ 122	\$ 110	\$ 100	\$ -	\$ 11,347	\$ 10,680

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

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

	NYPA		SFP		Captive		NYREDHC		Total	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
Operating revenues	\$ 3,237	\$ 2,935	\$ 192	\$ 97	\$ 7	\$ 2	\$ -	\$ -	\$ 3,436	\$ 3,034
Operating expenses:										
Purchased power	678	605	-	-	-	-	-	-	678	605
Fuel oil and gas	214	176	-	-	-	-	-	-	214	176
Transportation and delivery	1,174	1,107	-	-	-	-	-	-	1,174	1,107
Operations and maintenance	744	707	27	16	-	-	-	-	771	723
Depreciation and amortization	339	299	14	8	-	-	-	-	353	307
Total operating expenses	3,149	2,894	41	24	-	-	-	-	3,190	2,918
Operating income	88	41	151	73	7	2	-	-	246	116
Nonoperating revenues gains	64	81	17	9	4	4	-	-	85	94
Nonoperating expenses	111	51	61	29	-	-	-	-	172	80
Net income	\$ 41	\$ 71	\$ 107	\$ 53	\$ 11	\$ 6	\$ -	\$ -	\$ 159	\$ 130

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

C. Statements of Cash Flow (In millions)

	NYPA		SFP		Captive		NYREDHC		Total	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
Net cash provided by operating activities	\$ 279	\$ 339	\$ 122	\$ 81	\$ 11	\$ 1	\$ -	\$ -	\$ 412	\$ 421
Net cash provided by/(used in) capital and related financing activities	(149)	(525)	(449)	262	-	100	4	-	(594)	(163)
Net cash provided by non-capital related activities	127	143	-	-	-	-	-	-	127	143
Net cash provided by/(used in) investing activities	(212)	44	244	(248)	(32)	(70)	-	-	-	(274)
Net increase/(decrease) in cash	45	1	(83)	95	(21)	31	4	-	(55)	127
Cash and cash equivalents, January 1	315	314	134	39	31	-	-	-	480	353
Cash and cash equivalents, December 31	\$ 360	\$ 315	\$ 51	\$ 134	\$ 10	\$ 31	\$ 4	\$ -	\$ 425	\$ 480

(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 electric 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 of 2022. The proceeds from the issuance of the 2022A Bonds are being 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”.

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.

NEW YORK POWER AUTHORITY

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Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

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.

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, 2024, there is a balance of \$18 million in the Debt Service Fund with \$13 million representing Capitalized Interest from the proceeds of the Series 2023A Bonds.
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, 2024, was \$22 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 fund for any expected capital improvements.

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

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 2024, and on December 20, 2024, a \$23 million distribution was made from SFP to the Authority. For 2024, \$30 million in capitalized interest was funded with the proceeds from Series 2023A Bonds. 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 3.54 for the bond year ending November 15, 2024.

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

The CEEC Project was placed in service in December 2023. The project is currently in the closeout phase and site restoration is ongoing.

As of December 31, 2023, all 6 segments for Smart Path have been placed into Electric Plant In Service ("EPIS"). The project is currently in the closeout phase and site restoration is ongoing.

As of December 31, 2024, NYPA has capital spend of \$746 million (excluding capitalized interest) for the Smart Path Connect project and completed 38 miles of transmission line upgrades and energized breakers at the Ryan and Patnode substations.

(4) Summary of Significant Accounting Policies

(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.

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.

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Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

The Authority accounts for its regulated operations under the provisions of GASB No. 62, paragraphs 476-500. 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) "Summary of Accounting Policies – 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, 2024 and 2023 expressed as a percentage of average depreciable capital assets on an annual basis are:

	Average depreciation rate	
	2024	2023
Type of plant:		
Production		
Hydro	2.3 %	2.3 %
Gas turbine/combined cycle	2.2	2.3
Transmission	2.3	2.0
General	5.5	4.8
Energy Storage	10.0	10.0
Canal system	3.9	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

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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 ARO 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.

In addition to ARO, the Authority has other cost of removal obligations that are being collected from customers and accounted for under the provisions of GASB No. 62, paragraphs 476-500. These cost of removal obligations are reflected in deferred inflows of resources in the statement of net position.

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

	<u>ARO Amounts</u> <u>(deferred</u> <u>outflow)</u>	<u>Cost of removal</u> <u>obligation</u> <u>(deferred inflow)</u>
	(in millions)	
Balance - December 31, 2023	\$ 19	\$ 435
Other Expense	<u>(2)</u>	<u>41</u>
Balance - December 31, 2024	<u>\$ 17</u>	<u>\$ 476</u>

(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. There were no material impairments during 2024 and 2023.

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(e) on Leases.

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(h) Subscription-based information Technology Arrangements (“SBITA”)

During 2023, the Authority adopted GASB Statement No. 96 (“GASB No. 96”), *Subscription-Based Information Technology Arrangements (“SBITA”)*. GASB No. 96 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(f) 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, 2024 and 2023, consist of the following:

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	December 31,	
	<u>2024</u>	<u>2023</u>
	(in millions)	
Other long-term assets:		
Regulatory assets (a):		
Allowance for funds used during construction (b)	\$193	\$145
Other regulatory assets	43	44
Total regulatory assets	236	189
Energy efficiency program costs (c)	284	229
Other long-term receivables	111	116
Transmission line interconnection costs	149	167
Other postemployment employee benefits	213	112
Lease receivable	50	51
Other	56	32
Total other long-term assets	\$1,099	\$896

(a) Regulatory assets reflect previously incurred costs that are expected to be recovered from customers through the ratemaking process.

(b) This amount includes interest capitalized net of depreciation. For 2024, \$52 million of interest was capitalized, and for 2023, \$58 million of interest was capitalized.

(c) 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. As of December 31, 2024, the outstanding balance for energy efficiency and clean energy technologies projects in the Authority's balance sheet was a total of \$580 million, with \$161 million of the loan balance (includes \$50 million of short-term receivable and \$111 million of other long-term assets), \$135 million of customer receivables, and \$284 million of energy efficiency program cost that will be billed to the customers (reflected in the Other Long-term assets). As of December 31, 2023, the outstanding balance for energy efficiency and clean energy technologies projects in the Authority's balance sheet was a total of \$476 million, with \$145 million of the loan balance (includes \$29 million of short-term receivable and \$116 million of other long-term assets), \$102 million of customer receivables, and \$229 million of energy efficiency program cost that had to be billed to the customers (reflected in the Other Long-term assets).

(o) **Other Long-Term Liabilities**

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.

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On December 31, 2023, the Authority had other long-term liabilities of \$357 million which include pension liability of \$175 million, compensated absences accrual of \$60 million, Asset Retirement Obligations of \$44 million, and others of \$78 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:

- a. 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.
- b. 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.
- c. 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) **Investment and Net Position classification**

Investments

Investments as of December 31, 2024, and for the preceding year 2023 of \$1,639 million, and \$1,533 million, respectively, were in various securities considered as current assets.

Net position

Net Position as of December 31, 2024, and for the preceding year 2023, were \$5,234 million and \$5,075 million, respectively. These amounts included Net Investments in capital assets of \$3,463 million for 2024 and \$3,361 million for 2023. Unrestricted assets were \$1,318 million for 2024 and \$1,393 million for 2023. Restricted assets amounted to \$453 million for 2024 and \$321 million for 2023, as the SFP and Captive net position is considered restricted on a consolidated basis.

(r) **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.

The 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 own generation revenue.

In addition to contractual sales to customers, NYPA also sells power into an electricity market operated by the NYISO. These sales are affected by market prices and are not subject to rate regulation by the Authority's Trustees.

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New York Independent System Operator (“NYISO”)

NYPA is a member and a customer of the NYISO. The 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. The 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 the 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.

(s) 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.

(t) 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.

(u) 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

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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 liability was measured as of June 30, 2024 and June 30, 2023 for the 2024 and 2023 financial statements, respectively. Actuarial valuations are performed every two years. For purposes of measuring the net OPEB liability, 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 a maturity at the time of purchase of one year or less, which are reported at cost.

(v) **Accounting Pronouncements**

GASB issued GASB Statement No. 93 ("GASB No. 93") *Replacement of Interbank Offered Rates*, which originally had an effective date for reporting periods beginning after June 15, 2020. This effective date was postponed to periods beginning after June 15, 2021, due to the issuance of GASB No. 95. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR ceased to exist effective June 30, 2023, prompting governments to amend or replace financial instruments to replace LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. GASB No. 93's objective is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The Authority, based on its evaluation, believes GASB No. 93 has no material impact on its consolidated financial statements.

GASB issued GASB Statement No. 94 ("GASB No. 94"), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which was effective for fiscal years beginning after June 15, 2022. GASB No. 94 governs transactions wherein a government and another entity (government or private) enter into an arrangement wherein the other entity is given rights to use an underlying capital asset to provide public service for a determined amount of time, in exchange for consideration. The Authority, based on its evaluation, believes GASB No. 94 has no material impact on its consolidated financial statements.

GASB issued GASB Statement No. 96 ("GASB No. 96"), *Subscription-Based Information Technology Arrangements*, which was effective for reporting periods beginning after June

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15, 2022. GASB No. 96 requires recognition of certain subscription assets and liabilities for Subscription-based information Technology Arrangements (“SBITA”) which were previously either capitalized or expensed. GASB No. 96 defines a subscription-based technology arrangement as a contract that conveys control of the right to use a vendor’s software, alone or in combination with tangible capital assets. It establishes that an SBITA results in a right-to-use subscription asset and a corresponding subscription liability. The Authority adopted GASB No. 96 on January 1, 2023. Refer to Note 19(f) of notes to the consolidated financial statements, for the impact of SBITA on the Authority’s financial statements.

GASB issued GASB Statement No.99 (“GASB No. 99”), *Omnibus 2022*, which was partly effective for reporting periods beginning after June 15, 2022, and partly effective for reporting periods beginning after June 15, 2023. The primary objective of this statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (a) practice issues that have been identified during the implementation and application of certain GASB Statements and (b) accounting and financial reporting for financial guarantees. Based on its evaluation, the Authority believes GASB No. 99 has no material impact on its consolidated financial statements.

GASB issued GASB Statement No. 100 (“GASB No. 100”), *Accounting Changes and Error Corrections*, which was effective for reporting periods beginning after June 15, 2023. The primary objective of this Statement is to enhance the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Based on its evaluation, the Authority believes GASB No. 100 has no material impact on its consolidated financial statements.

GASB issued GASB Statement No. 101 (“GASB No. 101”), *Compensated Absences*, which was effective for reporting periods beginning after December 15, 2023. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Authority adopted GASB No. 101 in 2024 and reflects its impact in the consolidated financial statements.

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(5) Power Authority'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. Revenues of NYPA (after deductions for operating expenses and reserves, including reserves for working capital, operating expenses, or compliance purposes) are applied first to the payment of, or accumulation as a reserve for payment of, interest on and the principal or redemption price of Obligations issued under the General Bond Resolution and the payment of Parity Debt issued under 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.

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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 2024 and 2023.

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 is administered in accordance with the applicable provisions of the Authority’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”) 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

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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, 2024, the Authority has \$60 million invested in repurchase agreements. As of December 31, 2023, the Authority had \$45 million invested in the repurchase agreements.

Provisions applicable to the Authority apply to the SFP, Captive and NYREDHC for interest rate risk coverage.

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(c) **Concentration of Investment Credit Risk**

On December 31, 2024, 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, includes 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, 2023, there was no limit on the amount that the Authority may invest in any one issuer; however, investments in authorized certificates of deposit were not to exceed 25% of the Authority's invested funds and were not to exceed \$25 million from any one bank. On December 31, 2023, the Authority's (excluding SFP and Captive) total investment portfolio of \$1,118 million, excluding cash and cash equivalents, included investments of \$111 million (10%), \$119 million (11%), \$140 million (13%), \$161 million (14%), and \$587 million (52%) in securities of FNMA, FHLMC, FHLB, GNMA, and other various U.S. Treasuries, Guaranteed Investment Contracts, and Municipal securities, respectively.

On December 31, 2024, SFP's total investment portfolio of \$117 million, excluding cash and cash equivalents, includes investments of \$98 million (84%) and \$19 million (16%) in government Agency securities and Treasuries, respectively. 100% of the total investments are in securities guaranteed by the U.S. Government. At December 31, 2023, SFP's total investment portfolio of \$341 million, excluding cash and cash equivalents, included investments of \$285 million (84%) and \$56 million (16%) in securities of FHLB and U.S. Treasuries, respectively.

On December 31, 2024, the Captive's total investment portfolio of \$110 million, excluding cash and cash equivalents, includes 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. At December 31, 2023, the Captive's total investment portfolio of \$74 million, excluding cash and cash equivalents, included investments of \$13 million (18%), \$10 million (14%), \$8 million (11%), and \$43 million (57%) in securities of FHLMC, FHLB, GNMA, and taxable Municipal bonds and other securities, respectively.

On December 31, 2024, NYREDHC's total investment portfolio of \$94 million, excluding cash and cash equivalents, includes 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, 2024, the Authority (excluding SFP, Captive and NYREDHC) had \$315 million invested in money market funds and \$15 million invested in CDAR. On December

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31, 2023, the Authority had \$45 million invested in a Repurchase Agreement and \$315 million invested in money market funds.

On December 31, 2024 and 2023, the SFP had \$42 million and \$134 million invested in money market funds, respectively.

On December 31, 2024 and 2023, the Captive had \$10 million and \$31 million invested in money market funds, respectively.

On December 31, 2024, the NYREDHC had \$4 million invested in money market funds.

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Total Cash and Investments of the Authority on a consolidated basis are \$2.1 billion and \$2 billion at December 31, 2024 and December 31, 2023, respectively.

Investments (NYPA and Canals)

	Total		Restricted		Capital funds*		Unrestricted	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
	(in millions)							
Cash and investments:								
Cash and cash equivalents	\$ 360	\$ 315	\$ 8	\$ 1	\$ 82	\$ 3	\$ 270	\$ 311
U.S. government:								
U.S. Treasury bills	203	221	13	13	33	-	157	208
U.S. Treasury notes	356	132	-	-	341	-	15	132
	559	353	13	13	374	-	172	340
Other debt securities:								
FNMA	116	111	-	-	8	23	108	88
FHLMC	94	119	-	-	5	-	89	119
FHLB	79	140	-	-	-	31	79	109
GNMA	113	161	-	-	-	19	113	142
All other	357	234	-	-	66	10	291	224
	759	765	-	-	79	83	680	682
Total investments	1,318	1,118	13	13	453	83	852	1,022
Total cash and investments	\$ 1,678	\$ 1,433	\$ 21	\$ 14	\$ 535	\$ 86	\$ 1,122	\$ 1,333
Summary of maturities (years):								
0 - 1	446	445	13	13	226	7	207	425
1 - 5	564	281	-	-	227	34	337	247
5 - 10	154	144	-	-	-	-	154	144
10+	154	248	-	-	-	42	154	206
	\$ 1,318	\$ 1,118	\$ 13	\$ 13	\$ 453	\$ 83	\$ 852	\$ 1,022

*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, 2024, NYPA's total cash and investments of \$1.7 billion and as of December 31, 2023, NYPA's total cash and investments of \$1.4 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 "Authority's General Resolution Fund Requirements" in MD&A for detailed note on the Authority's Fund Requirements.
- II. As of December 31, 2024, restricted funds include primarily the Petroleum Overcharge Restitution ("POCR") fund (\$7 million), and Others (\$6 million). Further, restricted Cash and cash equivalents includes the remaining balance amount of \$8 million appropriated for Canals by the 2024-2025 Capital Projects Budget of New York State. Refer Canal Corporation section in MD&A for further information. As of December 31, 2023, restricted funds included primarily the POCR fund (\$7 million), ConnectALL Fund (\$1 million), and Others (\$6 million).

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Investments (SFP)

	Total		Restricted		Capital funds*		Unrestricted	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
	(in millions)							
Cash and investments:								
Cash and cash equivalents	\$ 51	\$ 134	\$ 51	\$ -	\$ -	\$ 38	\$ -	\$ 96
U.S. government:								
U.S. Treasury bills	-	-	-	-	-	-	-	-
U.S. Treasury notes	19	56	19	-	-	56	-	-
	19	56	19	-	-	56	-	-
Other debt securities:								
FNMA	-	-	-	-	-	-	-	-
FHLMC	1	-	1	-	-	-	-	-
FHLB	90	285	90	-	-	271	-	14
GNMA	-	-	-	-	-	-	-	-
All other	7	-	7	-	-	-	-	-
	98	285	98	-	-	271	-	14
Total investments	117	341	117	-	-	327	-	14
Total cash and investments	\$ 168	\$ 475	\$ 168	\$ -	\$ -	\$ 365	\$ -	\$ 110
Summary of maturities (years):								
0 - 1	103	220	103	-	-	220	-	-
1 - 5	14	121	14	-	-	107	-	14
5 - 10	-	-	-	-	-	-	-	-
10+	-	-	-	-	-	-	-	-
	\$ 117	\$ 341	\$ 117	\$ -	\$ -	\$ 327	\$ -	\$ 14
*All committed								

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Investments (Captive)

	Total		Restricted		Capital funds		Unrestricted	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
	(in millions)							
Cash and investments:								
Cash and cash equivalents	\$ 10	\$ 31	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ 31
U.S. government:								
U.S. Treasury bills	-	-	-	-	-	-	-	-
U.S. Treasury notes	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Other debt securities:								
FNMA	12	-	12	-	-	-	-	-
FHLMC	22	13	22	-	-	-	-	13
FHLB	10	10	10	-	-	-	-	10
GNMA	7	8	7	-	-	-	-	8
All other	59	43	59	-	-	-	-	43
	110	74	110	-	-	-	-	74
Total investments	110	74	110	-	-	-	-	74
Total cash and investments	\$ 120	\$ 105	\$ 120	\$ -	\$ -	\$ -	\$ -	\$ 105
Summary of maturities (years):								
0 - 1	-	-	-	-	-	-	-	-
1 - 5	9	-	9	-	-	-	-	-
5 - 10	89	54	89	-	-	-	-	54
10+	12	20	12	-	-	-	-	20
	\$ 110	\$ 74	\$ 110	\$ -	\$ -	\$ -	\$ -	\$ 74

Investments (NYREDHC)

	Total		Restricted		Capital funds		Unrestricted	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
	(in millions)							
Cash and investments:								
Cash and cash equivalents	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ -
U.S. government:								
U.S. Treasury bills	-	-	-	-	-	-	-	-
U.S. Treasury notes	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Other debt securities:								
FNMA	7	-	-	-	-	-	7	-
FHLMC	35	-	-	-	-	-	35	-
FHLB	-	-	-	-	-	-	-	-
GNMA	47	-	-	-	-	-	47	-
All other	5	-	-	-	-	-	5	-
	94	-	-	-	-	-	94	-
Total investments	94	-	-	-	-	-	94	-
Total cash and investments	\$ 98	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98	\$ -
Summary of maturities (years):								
0 - 1	-	-	-	-	-	-	-	-
1 - 5	10	-	-	-	-	-	10	-
5 - 10	22	-	-	-	-	-	22	-
10+	62	-	-	-	-	-	62	-
	\$ 94	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94	\$ -

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(7) Capital Assets

The following schedule summarizes the capital assets activity of the Authority for the year ended December 31, 2024.

Capital Assets (NYPA and Canals)

	December 31, 2023			December 31, 2024
	Beginning balance	Additions	Retirements/Transfers	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
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
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

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Capital Assets (SFP)

	December 31, 2023				December 31, 2024
	Beginning balance	Additions	Retirements/Transfers		Ending balance
				(in millions)	
CWIP:					
CEEC	\$ -	\$ 10	\$ (10)		\$ -
Smart Path	-	3	(3)		-
Smart Path Connect	270	311	(116)		465
Land:					
CEEC	27	-	-		27
Transmission-EPIS:					
CEEC	197	10	-		207
Smart Path	477	3	-		480
Smart Path Connect	216	116	-		332
Total SFP	<u>\$ 1,187</u>	<u>\$ 453</u>	<u>\$ (129)</u>		<u>\$ 1,511</u>

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The following schedule summarizes the capital assets activity of the Authority for the year ended December 31, 2023.

Capital Assets (NYPA and Canals)

	December 31, 2022 Beginning balance	Additions	Retirements/Transfers	December 31, 2023 Ending balance
		(in millions)		
Non-depreciable capital assets:				
Land	\$ 193	\$ -	\$ -	\$ 193
Construction in progress	834	670	(966)	538
Total Non-depreciable capital assets	1,027	670	(966)	731
Depreciable capital assets:				
Production - Hydro	2,449	31	-	2,480
Production - Gas turbine/combined cycle	1,251	12	-	1,263
Transmission	2,715	223	(69)	2,869
General	1,653	143	(100)	1,696
Energy Storage	-	35	-	35
Canal System	977	27	-	1,004
Total Depreciable capital assets	9,045	471	(169)	9,347
Less accumulated depreciation for:				
Production - Hydro	1,030	51	-	1,081
Production - Gas turbine/combined cycle	893	33	-	926
Transmission	1,413	48	(69)	1,392
General	609	88	(100)	597
Energy Storage	-	3	-	3
Canal System	311	47	-	358
Total accumulated depreciation	4,256	270	(169)	4,357
Net value of Depreciable capital assets	4,789	201	-	4,990
Net value of all assets	\$ 5,816	\$ 871	\$ (966)	\$ 5,721

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Capital Assets (SFP)

	December 31, 2022				December 31, 2023
	<u>Beginning balance</u>	<u>Additions</u>	<u>Retirements/Transfers</u>		<u>Ending balance</u>
		(in millions)			
CWIP:					
CEEC	\$ 166	\$ 31	\$ (197)	\$	-
Smart Path	14	46	(60)		-
Smart Path Connect	-	486	(216)		270
Land:					
CEEC	-	27	-		27
Transmission-EPIS:					
CEEC	-	197	-		197
Smart Path	417	60	-		477
Smart Path Connect	-	216	-		216
Total SFP	<u>\$ 597</u>	<u>\$ 1,063</u>	<u>\$ (473)</u>	<u>\$</u>	<u>1,187</u>

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(8) Long-Term and Short-Term Debt

General Resolution Long-Term and Short-Term Debt (NYPA and Canals)

	<u>Amount</u> <u>2024</u>	<u>Amount</u> <u>2023</u>	<u>Interest Rate (a)</u>	<u>Maturity</u>	<u>Earliest redemption</u> <u>date prior to maturity</u>
	(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	-	5.00%	11/15/2030 - 2044	** 11/15/2034
Term Bonds	68	-	4.00%	11/15/2049 - 2054	** 11/15/2034
Revenue Bonds (Taxable):*					
Series 2003A Revenue Bonds:					
Term Bonds	-	117	5.649% to 5.749%	11/15/2028 - 2033	** Any date
Series 2007B Revenue Bonds:					
Term Bonds	-	122	5.905%	11/15/2037	** Any date
Series 2020B Revenue Bonds:					
Term Bonds	114	114	2.818%	11/15/2039	** Any date
	<u>1,685</u>	<u>1,474</u>			
 Add: unamortized premium and discount	<u>120</u>	<u>60</u>			
 Long-term senior debt	1,805	1,534			
Less: due within one year	<u>-</u>	<u>15</u>			
 Long-term senior debt, net of due within one year	<u>\$ 1,805</u>	<u>\$ 1,519</u>			

(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 2003A, 2007B, and 2020B Revenue Bonds and Subordinated Notes, Series 2012 and Subordinated Notes, Series 2017 is not excluded from gross income for bondholders' Federal income tax purposes.

On December 27, 2023, the Authority deposited with The Bank of New York Mellon, as Trustee for its \$88 million Series 2007B Revenue Bonds maturing November 15, 2043 (the "Defeased Bonds") issued under Authority's General Bond Resolution, \$108 million consisting of cash and non-callable direct obligations of the United States the principal of and interest on which when due, together with any portions of such money held, are sufficient to pay when due the maturing principal of and interest due on the Defeased Bonds. The securities were acquired with only existing resources and deposited in an irrevocable trust fund ("Escrow Fund") with the Trustee. The Defeased Bonds are deemed to have been paid with the establishment of the Escrow Fund and are in compliance with the other applicable provisions of the General Bond Resolution. The defeasance generated \$17 million of present value savings or 19%. In total, the Authority eliminated \$181 million of future principal and interest at a cost of \$108 million.

On May 22, 2024, the Authority deposited 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, \$275 million consisting of cash and non-callable direct obligations of the United States the principal of and interest on which when due, together with any portions of such money held, are sufficient to pay when

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due the maturing principal of and interest due on the Defeased Bonds and Subordinated Notes. 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. 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.

As referred to in the “Summary of Consolidated Revenues, Expenses and Changes in Net Position” section in the MD&A, 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. The 2024 A Bonds were designated as “Green Bonds” by the Authority due to the expected environmental benefits of the projects financed with the proceeds of the 2024 A Bonds. The purpose of the “Green Bonds” designation is to inform investors that bond proceeds are intended to be used to support environmentally beneficial projects.

Sustainalytics, a leading provider of environmental, social and governance and corporate governance research and ratings to investors evaluated and verified that the projects that will be funded with the proceeds of the 2024 A Bonds are aligned with the Authority’s Green Bond Framework as the Authority anticipates the proceeds of the 2024 A Bonds will be applied exclusively for a project and activity that promote climate or other environmentally sustainable purposes in alignment with the with the four core components of the Green Bond Principles 2022, published June 2022 by the International Capital Market Association.

On issuance of the 2024 A Bonds, NYPA raised \$62 million, capitalized interest, for interest payments related to these bonds.

The General Resolution Revenue Bonds outstanding as of December 31, 2024, have an average coupon rate of 4.10% (average yield rate of 3.13%) and mature through 2060. The General Resolution Revenue Bonds outstanding as of December 31, 2023, had an average coupon rate of 4.18% (average yield rate of 3.64%) and mature through 2060.

As indicated in Note 5 “Authority’s Bond Resolutions and Related Matters” of the notes to the consolidated financial statements, 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 \$3.2 billion as of December 31, 2024. Interest expense in 2024 was \$58 million. The total principal and interest remaining to be paid on the Revenue Bonds was \$3 billion as of December 31, 2023. Interest expense in 2023 was \$66 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.

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Revenue bonds

Maturities and Interest Expense:

(in millions)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Years ending December 31:			
2025	\$ -	\$ 71	\$ 71
2026	-	69	69
2027	-	69	69
2028	-	69	69
2029 - 2033	131	336	467
2034 - 2038	216	296	512
2039 - 2043	265	247	512
2044 - 2048	306	187	493
2049 - 2053	336	123	459
2054 - 2058	307	57	364
2059 - 2063	124	7	131
	<u>1,685</u>	<u>1,531</u>	<u>3,216</u>
Plus: unamortized bond premium	120	-	120
Total	<u>\$ 1,805</u>	<u>\$ 1,531</u>	<u>\$ 3,336</u>

Transmission Resolution Long-Term Debt (Separately Financed Projects)

	<u>Amount 2024</u>	<u>Amount 2023</u>	<u>Interest Rate (a)</u>	<u>Maturity</u>	<u>Earliest redemption date prior to maturity</u>
	(in millions)				
Series 2022A Transmission Revenue Bonds:					
Serial bonds	\$ 321	\$ 337	4.000% to 5.000%	11/15/2024 to 11/15/2042	11/15/2031
Term bonds	<u>271</u>	<u>271</u>	3.875% to 4.000%	11/15/2047 to 11/15/2061*	11/15/2031
Principal amount outstanding	592	608			
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	<u>367</u>	<u>367</u>	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	<u>\$61</u>	<u>\$65</u>			
Long-term SFP debt	1,387	1,407			
Less: due within one year	<u>20</u>	<u>16</u>			
Long-term SFP debt, net of due within one year	<u>\$ 1,367</u>	<u>\$ 1,391</u>			

(a) interest rate at issuance

* Bonds are subject to sinking fund provisions

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The Transmission Resolution Revenue Bonds outstanding as of December 31, 2024, have an average coupon rate of 4.74% (average yield rate of 3.95%) and mature through 2063. The Transmission Resolution Revenue Bonds outstanding as of December 31, 2023, had an average coupon rate of 4.74% (average yield rate of 3.92%) 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 \$2.5 billion as of December 31, 2024. Interest expense in 2024 was \$64 million for the Transmission Resolution Revenue Bonds. The total principal and interest remaining to be paid on the Transmission Resolution Revenue Bonds was \$2.6 billion as of December 31, 2023. Interest expense in 2023 was \$31 million for the Transmission Resolution Revenue Bonds. On the issuance of the Series 2023A Bonds, NYPA raised \$42 million for interest expense payments related to these bonds, \$30 million of which was used for interest expense in 2024.

Maturities and Interest Expense:

Transmission Resolution Revenue Bonds (in millions)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Years ending December 31:			
2025	\$ 20	\$ 63	\$ 83
2026	34	62	96
2027	57	60	117
2028	56	57	113
2029 - 2033	184	253	437
2034 - 2038	178	209	387
2039 - 2043	175	168	343
2044 - 2048	171	128	299
2049 - 2053	165	90	255
2054 - 2058	157	53	210
2059 - 2063	129	17	146
	<u>1,326</u>	<u>1,160</u>	<u>2,486</u>
Plus: unamortized bond premium	61	-	61
Total	<u>\$ 1,387</u>	<u>\$ 1,160</u>	<u>\$ 2,547</u>

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General Resolution Subordinate Debt:

- (a) **Subordinate Notes-** In 2016, the Authority’s Trustees authorized the issuance of Subordinated Notes, Series 2017 (Subordinated Notes, Series 2017) and in 2012, the Authority’s Trustees authorized the issuance of Subordinated Notes, Series 2012 (Subordinated Notes, Series 2012), in a principal amount not to exceed \$30 million for each note for the purpose of accelerating the funding for the State Parks Greenway Fund, which was established pursuant to the Niagara Relicensing Settlement entered into by the Authority and the New York State Office of Parks, Recreation & Historic Preservation in connection with the Niagara Project’s relicensing. These Subordinated Notes, Series 2017 and Series 2012, are subordinate to the Revenue Bonds Series 2003A, the Series 2007B, and the Series 2020A and 2020B. As stated above, on May 22, 2024, the Authority defeased \$15 million Subordinated Notes, Series 2012, and \$20 million Subordinated Notes Series 2017 (the “Defeased Subordinated Notes”) issued under Authority’s General Bond Resolution.

	<u>Amount</u> <u>2024</u>	<u>Amount</u> <u>2023</u>	<u>Interest Rate (a)</u>	<u>Maturity</u>	<u>Earliest redemption</u> <u>date prior to maturity</u>
	(in millions)				
Subordinate debt:*					
Subordinated Notes, Series 2017	\$ -	\$ 21	3.466% to 4.272%	2027 to 2041	** N/A
Subordinated Notes, Series 2012	-	16	2.850% to 4.050%	2024 to 2037	** N/A
	-	37			
Less: due within one year	-	2			
Long-term subordinate debt, net of due within one year	\$ -	\$ 35			

(a) interest rate at issuance
* All outstanding subordinated notes are taxable
** Bonds are subject to sinking fund provisions

- (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, 2024 and 2023.

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 February 21, 2024, 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), \$250 million (Series 3B CP Notes). Series 3A and Series 4 currently have zero allocated. There were no Series 3A, Series 3B, and Series 4 CP Notes outstanding as of December 31, 2024 and 2023. NYPA intends to use the proceeds of the 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 determines the rate for each rate period which is the minimum rate necessary to remarket the notes at par in the Dealer’s opinion.

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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 to October 9, 2026. As of December 31, 2024 and 2023, 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, 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 expire on April 10, 2026.

As of December 31, 2024 and 2023, NYPA had no outstanding balance on account of Direct Purchase Note under its Note Purchase Agreement connected to its Hybrid Credit Agreements.

The CP Notes, EMCP Notes, and Direct Purchase Notes are subordinate to the Revenue Bonds Series 2024 A, 2020 A, and 2020 B.

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:

Authorized	December 31, 2024		December 31, 2023	
	Allocated	Outstanding	Allocated	Outstanding
	(in millions)		(in millions)	
CP Notes (Series 1)	\$450	\$350	\$225	\$100
CP Notes (Series 2)	250	88	275	127
CP Notes (Series 3A)	-	-	300	-
CP Notes (Series 3B)	250	-	150	-
CP Notes (Series 4)	-	-	-	-

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The changes in short-term debt are as follows:

	<u>Beginning Balance-</u> <u>January</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance-</u> <u>December</u>
		(in millions)		
Year:				
2023	\$ 179	\$ 139	\$ 91	\$ 227
2024	\$ 227	\$ 273	\$ 62	\$ 438

Debt Service coverage (“DSCR”)

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

For 2024, interest of \$30 million was funded with proceeds from Series 2023A Bonds which has been reduced from the total debt service in the calculation for Transmission Bond Resolution DSCR as stated below.

DSCR for NYPA’s General Bond Resolution for 2024 was 6.43x excluding Separately Financed Project (“SFP”).

For the Transmission Bond Resolution, DSCR was 3.54x for the bond year ending November 15, 2024.

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(9) Changes in Noncurrent Liabilities

Changes in the Authority's noncurrent liabilities for the year ended December 31, 2024, are comprised of the following:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Maturities/ refundings and other</u> (in millions)	<u>Ending balance</u>	<u>Due within one year</u>
General Resolution :					
Senior debt:					
Revenue bonds	\$ 1,459	\$ 450	\$ 224	\$ 1,685	\$ -
Subtotal	<u>1,459</u>	<u>450</u>	<u>224</u>	<u>1,685</u>	<u>-</u>
Subordinate debt:					
Subordinated Notes, Series 2017	18	-	18	-	-
Subordinated Notes, Series 2012	17	-	17	-	-
Commercial paper	-	-	-	-	-
Subtotal	<u>35</u>	<u>-</u>	<u>35</u>	<u>-</u>	<u>-</u>
Net unamortized discounts/premiums and deferred losses	<u>60</u>	<u>64</u>	<u>4</u>	<u>120</u>	<u>-</u>
Total debt, net of unamortized discounts/premiums and deferred losses	<u>1,554</u>	<u>514</u>	<u>263</u>	<u>1,805</u>	<u>-</u>
Other noncurrent liabilities:					
Disposal of nuclear fuel	245	13	-	258	-
Relicensing	223	-	-	223	-
Other	357	70	70	357	-
Total other noncurrent liabilities	<u>825</u>	<u>83</u>	<u>70</u>	<u>838</u>	<u>-</u>
Total noncurrent liabilities (excluding SFP)	<u>2,379</u>	<u>597</u>	<u>333</u>	<u>2,643</u>	<u>-</u>
Separate Revenue Bonds (SFP)					
Series 2022A Transmission Revenue Bonds	592	-	20	572	20
Series 2023A Transmission Revenue Bonds	734	-	-	734	-
Subtotal	<u>1,326</u>	<u>-</u>	<u>20</u>	<u>1,306</u>	<u>20</u>
Net unamortized discounts/premiums and deferred losses	<u>65</u>	<u>-</u>	<u>4</u>	<u>61</u>	<u>-</u>
Total debt, net of unamortized discounts/premiums and deferred losses	<u>1,391</u>	<u>-</u>	<u>24</u>	<u>1,367</u>	<u>20</u>
Total noncurrent liabilities (including SFP)	<u>\$ 3,770</u>	<u>\$ 597</u>	<u>\$ 357</u>	<u>\$ 4,010</u>	<u>\$ 20</u>

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Changes in the Authority's noncurrent liabilities for the year ended December 31, 2023, are comprised of the following:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Maturities/ refundings and other</u> (in millions)	<u>Ending balance</u>	<u>Due within one year</u>
General Resolution:					
Senior debt:					
Revenue bonds	\$ 1,562	\$ -	\$ 103	\$ 1,459	\$ 15
Subtotal	<u>1,562</u>	<u>-</u>	<u>103</u>	<u>1,459</u>	<u>15</u>
Subordinate debt:					
Subordinated Notes, Series 2017	20	-	2	18	1
Subordinated Notes, Series 2012	18	-	1	17	1
Commercial paper	-	-	-	-	-
Subtotal	<u>38</u>	<u>-</u>	<u>3</u>	<u>35</u>	<u>2</u>
Net unamortized discounts/premiums and deferred losses	<u>62</u>	<u>-</u>	<u>2</u>	<u>60</u>	<u>-</u>
Total debt, net of unamortized discounts/premiums and deferred losses	<u>1,662</u>	<u>-</u>	<u>108</u>	<u>1,554</u>	<u>17</u>
Other noncurrent liabilities:					
Disposal of nuclear fuel	233	12	-	245	-
Relicensing	225	-	2	223	-
Other	198	192	33	357	-
Total other noncurrent liabilities	<u>656</u>	<u>204</u>	<u>35</u>	<u>825</u>	<u>-</u>
Total noncurrent liabilities (excluding SFP)	<u>2,318</u>	<u>204</u>	<u>143</u>	<u>2,379</u>	<u>17</u>
Separate Revenue Bonds (SFP)					
Series 2022A Transmission Revenue Bonds	608	-	16	592	16
Series 2023A Transmission Revenue Bonds		734	-	734	-
Subtotal	<u>608</u>	<u>734</u>	<u>16</u>	<u>1,326</u>	<u>16</u>
Net unamortized discounts/premiums and deferred losses	<u>51</u>	<u>14</u>	<u>-</u>	<u>65</u>	<u>-</u>
Total debt, net of unamortized discounts/premiums and deferred losses	<u>659</u>	<u>748</u>	<u>16</u>	<u>1,391</u>	<u>16</u>
Total noncurrent liabilities (including SFP)	<u>\$ 2,977</u>	<u>\$ 952</u>	<u>\$ 159</u>	<u>\$ 3,770</u>	<u>\$ 33</u>

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(10) Risk Management of Commodity Hedging Activities

Overview

The Authority deploys a robust risk management program spanning its enterprise and operational risk profile. To support the execution of the strategic vision, established governance processes assess exposures and call for corresponding risk informed decisions that mitigate, transfer, accept, or avoid risks.

A key aspect of the Authority's risk management program is to address risk and volatility on cash flows associated with energy, fuel, capacity and certain non-energy commodity prices. Through its participation in the NYISO and commodity markets, the Authority is subject to energy, fuel, capacity and certain non-energy commodity price uncertainty that impact the revenue of its facilities and customer market areas. Such market volatility can potentially have adverse effects on the Authority's financial condition. To mitigate potential adverse effects and to moderate cost impacts to its customers (many of the Authority's customer contracts provide for the complete or partial pass-through of these costs), the Authority manages market risks by utilizing financial derivative instruments and/or physical forward contracts. These instruments mitigate the volatility in the cost of energy or related products needed to meet customer needs; the risk related to the price of energy and related products sold; the risk related to margins (electric sales versus fuel use) where the Authority owns generation or other capacity; and to mitigate geographic cost differentials of energy procured or sold for transmission or transportation to an ultimate location. Commodities to be hedged include, but are not limited to, energy, capacity, congestion costs associated with the transmission of electricity, natural gas and natural gas basis, and non-energy commodities.

To achieve the risk management program objectives, the Authority's Trustees have authorized the use of various derivative 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 Standard & Poor's Global Platt's ("Platts"), market sources and/or pricing models.

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Derivative Instruments

The following table shows the fair value of outstanding financial derivative instruments as of December 31, 2023, and December 31, 2024 and changes in fair value during the year ended December 31, 2024.

Derivative instrument description	Fair value balance December 31, 2023	Net change in fair value (in millions)	Fair value balance December 31, 2024	Type of hedge or transaction	Financial statement classification for changes in fair value	Notional amount December 31, 2024	Unit of measure
Energy swaps/futures (sales) \$	(33)	\$ 15	\$ (18)	Cash flow	Deferred outflow	(4,116,830)	MWh
Energy swaps (purchases)	(2)	2	-	Cash flow	Deferred inflow	119,512	MWh
Energy capacity futures	(5)	5	-	Cash flow	Deferred outflow	0	KWm
Fuel forwards/swaps	-	-	-	Cash flow	Deferred inflow	416,640	MMBTU
Non-energy commodity swap:	4	(6)	(2)	Cash flow	Deferred outflow	(36,000)	MT
Non-energy options	6	(2)	4	Cash flow	Deferred inflow	(36,500)	MT
Totals	\$ (30)	\$ 14	\$ (16)				

Energy swaps and futures –The Authority transacts energy swaps and futures to manage the revenue stream from forecasted generation. Net settlement payments were \$2 million in 2024, and net settlement receipts were \$1 million in 2023.

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 \$44 million in 2024, and net settlement payments were \$20 million in 2023.

Fuel futures and swaps – The Authority, at times, has outstanding natural gas forward contracts. Net settlement payments were \$0 million and \$1 million in 2024 and 2023, respectively.

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 receipts were \$5 million in both 2024 and 2023.

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 and \$3 million during 2024 and 2023, respectively. Settlement receipts were \$5 million and \$15 million in 2024 and 2023, respectively.

Other – Over the lifetime of each outstanding energy derivative instrument certain derivative instruments may become ineffective due to changes in the hedged item. The change in fair market value of such derivative instruments would be recognized as other nonoperating charges or credits in the statements of revenues, expenses, and changes in net position. In 2024 and 2023, 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, 2024, and 2023, the Authority's individual or aggregate exposure to derivative instrument counterparty credit risk is not significant.

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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 take into account 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.

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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.

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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, 2024 and December 31, 2023, respectively:

Fair Value Measurements (NYPA and Canals)

	Fair Value Measurements (in millions)							
	Total		Level 1		Level 2		Level 3	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
Assets								
Cash and cash equivalents	\$ 360	\$ 315	\$ 360	\$ 315	\$ -	\$ -	\$ -	\$ -
Treasury bills	203	221	203	155	-	66	-	-
Treasury notes	356	132	338	132	18	-	-	-
Federal agency securities:								
FAMCA	10	-	-	-	10	-	-	-
FFCB	60	-	-	-	60	-	-	-
FHLB	79	140	-	15	79	125	-	-
FHLMC	94	119	-	-	94	119	-	-
FNMA	116	111	-	-	116	111	-	-
GNMA	113	161	-	-	113	161	-	-
Municipal bonds	58	10	-	-	58	10	-	-
All other	229	224	229	158	-	66	-	-
Total cash and investments at fair value	\$ 1,678	\$ 1,433	\$ 1,130	\$ 775	\$ 548	\$ 658	\$ -	\$ -
Derivative instruments (a):								
Energy swaps/futures	18	35	-	-	18	35	-	-
Non-energy swaps/options	3	5	-	-	3	5	-	-
Total derivative assets at fair value	21	40	-	-	21	40	-	-
Total assets at fair value	\$ 1,699	1,473	\$ 1,130	\$ 775	\$ 569	698	\$ -	\$ -
Liabilities								
Derivative instruments (a):								
Non-energy swaps/options	4	10	-	-	4	10	-	-
Total derivative liabilities at fair value	4	10	-	-	4	10	-	-
Total liabilities at fair value	\$ 4	\$ 10	\$ -	\$ -	\$ 4	\$ 10	\$ -	\$ -

(a) The accounting rules for fair value measurements and disclosures require consideration of the impact of nonperformance risk (including credit risk) from a market participant perspective in the measurement of the fair value of assets and liabilities. At December 31, 2024, and 2023, the Authority determined that nonperformance risk would have no material impact on the financial position or results of operations.

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Fair Value Measurements (SFP)

	Fair Value Measurements							
	(in millions)							
	Total		Level 1		Level 2		Level 3	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
<u>Assets</u>								
Cash and cash equivalents	\$ 51	\$ 134	\$ 51	\$ 134	\$ -	\$ -	\$ -	\$ -
Treasury note	19	56	14	56	5	-	-	-
Federal agency securities:								
FFCB	7	-	-	-	7	-	-	-
FHLB	90	285	-	-	90	285	-	-
FHLMC	1	-	-	-	1	-	-	-
Total cash and investments at fair value	\$ 168	\$ 475	\$ 65	\$ 190	\$ 103	\$ 285	\$ -	\$ -

Fair Value Measurements (Captive)

	Fair Value Measurements							
	(in millions)							
	Total		Level 1		Level 2		Level 3	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
<u>Assets</u>								
Cash and cash equivalents	\$ 10	\$ 31	\$ 10	\$ 31	\$ -	\$ -	\$ -	\$ -
Treasury bills	-	-	-	-	-	-	-	-
Federal agency securities:								
FNMA	12	-	-	-	12	-	-	-
FHLMC	22	13	-	-	22	13	-	-
FHLB	10	10	-	-	10	10	-	-
GNMA	7	8	-	-	7	8	-	-
Municipal bonds	43	23	-	-	43	23	-	-
All other	16	20	16	-	-	20	-	-
Total cash and investments at fair value	\$ 120	\$ 105	\$ 26	\$ 31	\$ 94	\$ 74	\$ -	\$ -

Fair Value Measurements (NYREDHC)

	Fair Value Measurements							
	(in millions)							
	Total		Level 1		Level 2		Level 3	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
<u>Assets</u>								
Cash and cash equivalents	\$ 4	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -
Treasury bills	-	-	-	-	-	-	-	-
Federal agency securities:								
FNMA	7	-	-	-	7	-	-	-
FHLMC	35	-	-	-	35	-	-	-
FHLB	-	-	-	-	-	-	-	-
GNMA	47	-	-	-	47	-	-	-
Municipal bonds	5	-	-	-	5	-	-	-
All other	-	-	-	-	-	-	-	-
Total cash and investments at fair value	\$ 98	\$ -	\$ 4	\$ -	\$ 94	\$ -	\$ -	\$ -

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(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.

The 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 ERS 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. The 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, 2024, and March 31, 2023, were 13% and 11%, respectively. The average contribution rates relative to payroll for the NYSLERS fiscal years ending March 31, 2025, and 2026 have been set at approximately 15% and 16.5%, respectively. The required contributions for 2024 were \$39 million and \$32 million for 2023. 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, 2024, and December 31, 2023, the Authority reported a liability of \$120 million and \$175 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, 2024 (measurement date). The Authority's proportion of the net pension liability was based on a projection of the Authority's long-

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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 0.81% as of March 31, 2024, and March 31, 2023.

For the year ended December 31, 2024, and 2023, the Authority recognized a pension expense of \$52 million and \$62 million, respectively. At December 31, 2024, and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
	(in millions)		(in millions)	
Difference between expected and actual experience	\$ 39	\$ 3	\$ 18	\$ 5
Net difference between projected and actual earnings on investments	-	59	-	1
Change of assumptions	45	-	85	1
Difference between employer contributions and proportionate share of contributions	5	4	5	4
Employer contributions subsequent to the measurement date	<u>39</u>	<u>-</u>	<u>32</u>	<u>-</u>
Total	<u>\$ 128</u>	<u>\$ 66</u>	<u>\$ 140</u>	<u>\$ 11</u>

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, will be recognized as a decrease in the net pension liability in the year ended December 31, 2025. The \$32 million reported as deferred outflows of resources as of December 31, 2023, 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, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources for December 31, 2024, and 2023, related to pension, will be recognized as a debit to pension expenses as follows (in millions):

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>Pension Expense Debit</u>	<u>Pension Expense Debit</u>
	<u>(in millions)</u>	<u>(in millions)</u>
<u>Year Ending December</u>		
2024	\$ -	\$ 23
2025	(22)	(9)
2026	23	36
2027	35	47
2028	<u>(13)</u>	<u>-</u>
Total	<u>\$ 23</u>	<u>\$ 97</u>

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Actuarial Assumptions

The NYSLERS total pension liability at March 31, 2024, and 2023 was determined by using the NYSLERS actuarial valuation as of April 1, 2023, and 2022, respectively with updated procedures to roll forward the NYSLERS total pension liability to March 31, 2024, and March 31, 2023, respectively. The following actuarial assumptions were used for the April 1, 2023, and 2022 NYSLERS actuarial valuation:

Actuarial cost method:	Entry age normal
Inflation rate:	2.9%
Salary increases:	4.4% annually
Investment rate of return:	5.9% compounded annually, net of investment expenses
Cost of living adjustments:	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 weighting 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:

<u>Asset Type</u>	<u>Target Allocation</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
		<u>Long-term Expected Real Rate</u>	<u>Long-term Expected Real Rate</u>
Domestic Equity	32%	4.00%	4.30%
International Equity	15%	6.65%	6.85%
Private Equity	10%	7.25%	7.50%
Real Estate	9%	4.60%	4.60%
Credit	4%	5.40%	5.43%
Opportunistic/ ARS Portfolio	3%	5.25%	5.38%
Real Asset	3%	5.79%	5.84%
Fixed Income	23%	1.50%	1.50%
Cash	1%	0.25%	0.00%
	<u>100%</u>		

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Discount Rate

The discount rate used to calculate the total pension liability was 5.9 percent for 2024 and 2023. 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, 2024			December 31, 2023		
	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)	\$377 million	\$120 million	\$(95) million	\$422 million	\$175 million	\$(32) million

The NYSLERS actuary has not recommended any future changes to the actuarial assumptions used in the NYSLERS August 2024 and 2023 actuarial valuation reports.

(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.

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-

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you-go basis in 2024 and 2023 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, 2024, measurement date (using December 31, 2023, census information) and June 30, 2023, measurement date (using December 31, 2021, census information), the following current and former employees were covered by the benefit terms, under NYPA Plan. It is assumed that 100% of future retirees who meet the eligibility requirements will participate in NYPA OPEB plan.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Active employees	1,989	1,964
Inactive employees and beneficiaries, receiving and/or entitled to benefits	<u>2,790</u>	<u>2,755</u>
Total	<u>4,779</u>	<u>4,719</u>

As of June 30, 2024, measurement date (using census information as of May 1, 2024) and June 30, 2023, measurement date (using census information as of May 1, 2022), the following current and former employees were covered by the benefit terms, under the Canal Retiree Health Plan. It is assumed that 100% of future retirees who meet the eligibility requirements will participate in the OPEB plan.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Active employees, including opt-out (actives not in medical plan)	449	423
Inactive employees and beneficiaries, receiving and/or entitled to benefits	<u>698</u>	<u>661</u>
Total	<u>1,147</u>	<u>1,084</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, and 2023, the Authority recognized OPEB expense credit of \$(39) million and \$(25) million, respectively. At December 31, 2024, and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows
	(in millions)		(in millions)	
Differences between expected and actual experience	\$ 5	\$ 6	\$ 7	\$ 2
Changes in assumptions	2	108	5	122
Investment Earnings	64	62	105	66
Employer contributions subsequent to the measurement date	11	-	11	-
Total	<u>\$ 82</u>	<u>\$ 176</u>	<u>\$ 128</u>	<u>\$ 190</u>

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, 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, 2023, 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, 2024. The remaining \$105 million and \$73 million reported as net inflows of resources for December 31, 2024, and 2023, respectively, related to OPEB, will be recognized as credit in OPEB expense as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	OPEB Expense Credit	OPEB Expense Credit
<u>Year Ending December</u>	<u>(in millions)</u>	<u>(in millions)</u>
2024	\$ -	\$ (36)
2025	(40)	(25)
2026	(15)	-
2027	(25)	(11)
2028	(16)	(1)
2029	(8)	-
2030	(1)	-
Total	<u>\$ (105)</u>	<u>\$ (73)</u>

Net OPEB Liability

The Authority's net OPEB liability (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 liability (asset) was measured as of June 30, 2023, based on valuation results as of December 31, 2021, for NYPA's plan

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and May 1, 2022, for the Canal plan, projected to the measurement date on a no gain/loss basis. The Authority's net OPEB asset of \$213 million and \$112 million as of December 31, 2024, and 2023, 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, 2024, and 2023.

	<u>December 31, 2024</u>			<u>December 31, 2023</u>		
	Plan			Plan		
	Total OPEB	Fiduciary	Net OPEB	Total OPEB	Fiduciary	Net OPEB
	Liability	Net Position	(asset)	Liability	Net Position	(asset)
	Increase (Decrease)			Increase (Decrease)		
	(in millions)			(in millions)		
Balance - beginning of year	\$ 635	\$ 747	\$ (112)	\$ 609	\$ 683	\$ (74)
Service cost	14	-	14	14	-	14
Interest	45	-	45	43	-	43
Change of benefit terms	1	-	1	-	-	-
Differences between expected and actual experience	(6)	-	(6)	(1)	-	(1)
Changes of assumptions	(42)	-	(42)	-	-	-
Contributions - employer	-	30	(30)	-	29	(29)
Net investment income	-	87	(87)	-	74	(74)
Benefit payments	(30)	(30)	-	(30)	(30)	-
Administrative expense	-	(4)	4	-	(9)	9
Net changes	(18)	83	(101)	26	64	(38)
Balance - end of year	\$ 617	\$ 830	\$ (213)	\$ 635	\$ 747	\$ (112)

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	<u>\$ (213)</u>

Plan fiduciary net position as a percentage of the total OPEB liability

135%

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The components of the net OPEB asset at June 30, 2023, were as follows (in millions):

Total OPEB liability	\$	635
Plan fiduciary net position		(747)
Net OPEB asset	<u>\$</u>	<u>(112)</u>

Plan fiduciary net position as a percentage of the total OPEB liability	118%
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Actuarial Assumptions

The total OPEB liability in June 30, 2024 measurement was determined 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 – 8.00 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.

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The total OPEB liability in June 30, 2023 measurement was determined 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 – 6.50 percent for 2022, decreasing 0.25 percent per year to an ultimate rate of 4.50 percent for 2030 and later years. Post-Medicare Medical – 5.50 percent for 2022, decreasing to an ultimate rate of 4.50 percent for 2030. Prescription drugs (Rx) – 7.50 percent for 2022, decreasing to an ultimate rate of 4.50 percent for 2030. Medicare Advantage – 4.0 percent for gross costs, 3.0 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:

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Asset Type	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
	Target	Long-term Expected	Target	Long-term Expected
	Allocation	Real Rate	Allocation	Real Rate
Domestic Equity	32%	6.7%	30%	7.0%
International Equity	18%	7.3%	20%	6.9%
Fixed Income	11%	4.9%	20%	4.6%
Real Estate & Infrastructure	13%	7.1%	13%	7.0%
Private Equity	15%	10.1%	10%	10.1%
Private Debt	10%	9.0%	5%	9.1%
Cash	1%	3.4%	2%	3.4%
	100%		100%	

Rate of Return

For NYPA OPEB Plan year ended June 30, 2024, and 2023, the annual money-weighted rate of return on investments, net of investment expense, was 11.4 percent and 10.3 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 7% for 2024 and 2023, which is the long-term rate of return on the OPEB Trust assets. 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 (2019 through 2024 for 2024 and 2018 through 2023 for 2023), 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 Liability (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 liability / (asset), as well as the sensitivity of using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current discount rate:

	<u>Current</u>			<u>Current</u>		
	<u>1% Decrease</u>	<u>Discount</u>	<u>1% Increase</u>	<u>1% Decrease</u>	<u>Discount</u>	<u>1% Increase</u>
	<u>(6.0%)</u>	<u>Rate (7.0%)</u>	<u>(8.0%)</u>	<u>(6.0%)</u>	<u>Rate (7.0%)</u>	<u>(8.0%)</u>
Net OPEB						
Liability / (Asset)						
(In millions)	\$ (145)	\$ (213)	\$ (289)	\$ (28)	\$ (112)	\$ (181)

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Sensitivity of the Net OPEB Liability / (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 liability / (asset) to the changes in the healthcare cost trends:

	<u>December 31, 2024</u>			<u>December 31, 2023</u>		
	<u>Current</u>			<u>Current</u>		
	<u>Healthcare</u>			<u>Healthcare</u>		
	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability / (Asset)						
(In million)	\$ (291)	\$ (213)	\$ (141)	\$ (189)	\$ (112)	\$ (16)

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 unforeseeable emergency. The Authority does not contribute to this plan.

The Authority also offers salaried 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 both 2024 and 2023.

Both 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.

The Authority offers its employees either a pension plan (Refer note 12 above) or VDC plan. A defined contribution retirement plan option (the VDC program) is made available to the Authority employees hired on or after July 1, 2013, who are not participating in the NYSLERS and who earn at the rate of pay of \$75,000 or more annually. 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. The Authority matches the contributions of employees up to the limits specified in the plan. The VDC 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 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 \$4 million to this plan in both 2024 and 2023.

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(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, 2024, and 2023, were \$258 million and \$245 million, respectively.

(15) Power Purchase Agreements ("PPA's")

The Authority does not have any PPA's 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 PPAs for solar photovoltaic ("PV") projects with Ameresco, Inc. (the "developer") on July 7, 2023, requiring the Authority to pay the developer for electricity received from the renewable facilities and recover the payments from the City Of New York (the "Purchaser"), acting through its Department of Citywide Administrative Services ("DCAS") via the Power Sales Contract (the "PSC"). The Authority also executed four PPAs with the developer for battery energy storage systems ("BESS") on June 29, 2024, and August 6, 2024, requiring the Authority to pay the developer 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 1-year, in which the Authority will cover the payments to the developer. If there is no cure, the developer has no claim to the Authority so long as the Authority or developer is pursuing recovery from DCAS under the terms of the PSC. The total value of the PPAs with Ameresco, Inc. is \$320 million over 20 years, the annualized amount being \$16 million.

The Authority has also entered into various other PPAs, \$100 million, with developers that require the Authority to pay the developers for the electricity received from renewable facilities and recover the payments from the New York Convention Center Operating Corporation, and the Port Authority via Power Sales Contracts. The annualized amount for the PPA entered on behalf of New York Convention Center Operating Corporation is \$2.7 million over 25 years, and on behalf of Port Authority is \$1 million over 25 years.

All projects are in the design or construction phase and the Authority is not paying for or recovering for energy under the agreements that are cost-neutral to the Authority.

In 2008, the Authority entered into a long-term power supply contract with Astoria Energy II LLC for the purchase of all the output of AEII, a 550-MW plant, which entered commercial operation on July 1, 2011, in Astoria, Queens. The delivery period under the contract is through 2031. At the same time, the Authority entered a separate contract with its' 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 the New York City

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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 \$678 million in 2024 and \$605 million in 2023 in the open market, with the entire cost passed through to its customers. Power purchased in the open market is a function of customer demand and, as such, varies month to month. The Authority is under no obligation to purchase power unless customer demands require such purchases, in which case the entire cost is recovered over the monthly billing cycle. In the event of failure to receive payment for any monthly purchase the Authority will not make any further purchases. No purchase was made under any PPA except for AEII for the reporting period. See Note 15 above for any PPAs.

(17) Captive Insurance

On September 29, 2022, the Authority's Trustees approved the formation of a subsidiary corporation called the NYPA Captive Insurance Company (the "Captive"), and the Authority filed its application for a license with the New York State Department of Financial Services (the "DFS"). On May 2, 2023, the DFS issued the Certificate of Incorporation for the Captive, and the Captive's Board of Directors held an organization meeting on May 25, 2023. On May 25, 2023, the Authority also contributed \$250,000 as its initial capital contribution to the Captive. An additional \$99,750,000 of capital contribution was made on August 8, 2023, bringing the total contribution to \$100 million. The DFS issued the requisite license to operate, to the Captive, on July 25, 2023.

On September 1, 2023, the Captive initially underwrote a TRIA Certified NBCR (Nuclear, Biological, Chemical, Radiological & Cyberterrorism) Terrorism policy with an aggregate limit of \$500 million, which policy has a federal backstop, as well as a property deductible reimbursement line in the amount of \$5 million per occurrence. On November 1, 2023, the coverage limit for the property deductible reimbursement line was increased to \$10 million per occurrence. On January 1, 2024, the Captive also underwrote a cyber deductible reimbursement line in the amount of \$5 million per occurrence. Finally, on June 15, 2024 the Captive underwrote a general liability deductible reimbursement line in the amount of \$5 million per occurrence with a \$200,000 deductible.

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

The Captive filed the audited financial statements with the DFS on June 28, 2024, as required by Section 7006 of the New York State ("NYS") Insurance Law.

(18) Renewables

The Power Authority Act was amended in 2023 to, among other things, provide the Authority with the power to create one or more subsidiaries for the purpose of financing, developing and operating renewable energy generating projects in support of the State's renewable energy goals established in the New York State Climate Leadership and Community Protection Act, Chapter 106 of the Laws of 2019 (the "CLCPA"). Pursuant to such authority, the Authority formed a subsidiary under the New York Business Corporation Law.

The Authority evaluated opportunities to pursue projects under the Expanded Authority and on November 21, 2024 incorporated NYREDHC. NYREDHC is authorized to carry out the Authority's renewable energy business and strategy as provided under the Expanded Authority.

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The Authority expects that the activities of NYREDHC, as a separate legal entity from the Authority, will be conducted in a manner such that the Authority is not expected to be responsible for the financial or other obligations of NYREDHC. On December 31, 2024, the Authority funded NYREDHC with \$100 million from amounts released from the lien of the Trust Estate created by the General Resolution. The Authority expects to execute a shared services agreement with NYREDHC under which NYREDHC will be required to reimburse the Authority for costs of providing services.

The Expanded Authority allows the Authority to pursue renewable generation projects like solar, wind, geothermal, and battery storage, 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 Expanded Authority Legislation, the Authority is required to end fossil fuel-based electricity generation at its SNGPPs by the end of 2030 subject to the approval of the NYISO and ConEd. The Authority will also consider, as appropriate, but not limited to, opportunities to use these sites to host renewable energy assets, including energy storage.

(19) Commitments and Contingencies

a) Power Programs

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 Projects and up to 455 MW of other power procured by the Authority from other sources. The 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”). The RCDP authorized the Authority, as deemed feasible and advisable by its Trustees, to provide annual funding of \$100 million for the first three years following withdrawal of the hydropower from the residential and farm customers, \$70 million for the fourth year, \$50 million for the fifth year, and \$30 million each year thereafter, for the purpose of funding a RCDP for those customers that had formerly received the hydropower that is utilized in the RNYPP. Chapter 60 further authorized the Authority, as deemed feasible and advisable by the Authority’s Trustees, to use revenues from the sales of hydroelectric power, and such other funds of the Authority, as deemed feasible and advisable by the Authority’s Trustees, to fund the RCDP. The Authority’s Trustees have authorized the release of a total \$660 million in support of the RCDP out of which the Authority paid out \$631 million as of December 31, 2024.

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

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program years thereafter, to fund the agricultural consumer electricity discount up to an annual amount of \$5 million.

Western New York Power Proceeds Allocation Act

Effective March 30, 2012, Chapter 58 (Part GG) of the Laws of 2012 (Chapter 58) created the Western New York Power Proceeds Act (“WNYPPA”). The 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 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. Chapter 58 also repealed Chapter 436 of the Laws of 2010 which had created a similar program that could not be effectively implemented.

The Authority’s Trustees approved the release of up to \$101 million in net earnings calculated for the period August 30, 2010, through December 31, 2024, as provided in the legislation, for deposit into the WNYED Fund. As of December 31, 2024, approximately \$92 million has been deposited into the Fund. The Authority has approved awards of approximately \$53 million to businesses and made payments of approximately \$37 million as of December 31, 2024. 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”). The 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. The NNYPPA also establishes a five-member Northern New York Power Allocations Board appointed by the Governor to review applications seeking NNY 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”). The 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. For the first 5 years after enactment, the amount of SLCEDP the Authority could use to generate net earnings may not exceed the lesser of 20 MW or the amount of SLCEDP that has not been allocated by the Authority pursuant to the Authority-MED contract. Thereafter, the amount of SLCEDP that the Authority could use for such purpose may not exceed the lesser of 10 MW or the amount of SLCEDP that has not been allocated.

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As of December 31, 2024, 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, 2024. As of December 31, 2024, approximately \$10 million has been deposited into the Fund. As of December 31, 2024, the Authority has approved awards of NNYED Fund money totaling approximately \$4 million to businesses that have proposed eligible projects and made payments totaling approximately \$1 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.

b) Governmental Customers in the New York City Metropolitan Area

In 2017 and 2018, NYPA executed new supplemental long-term electricity supply agreements ("Supplemental LTAs") with its eleven NYC Governmental Customers, the largest of these customers include the Metropolitan Transportation Authority, the City of New York, the Port Authority, the New York City Housing Authority, and the New York State Office of General Services. Under the Supplemental LTAs, the NYC Governmental Customers agreed to purchase their electricity from NYPA through December 31, 2027, with the NYC Governmental Customers having the right to terminate at any time upon at least 12 months' notice during the first five years of the agreement (December 31, 2022). Thereafter, both NYPA and the NYC Governmental Customers may terminate the agreement upon at least six months' notice. Under the Supplemental LTA's, fixed costs for NYPA's services as well as Zeltmann plant were contractually set for each customer, and the fixed agreed amounts are recovered from the customers regardless of their load usage. Variable costs, including fuel, purchased power and NYISO-related costs, each year are 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. For years 2023-2027, to provide better price certainty, NYPA is offering an annual fixed price energy purchase option to the NYC Governmental Customers.

NYPA's other Southeastern New York governmental customers are Westchester County and numerous municipalities, school districts, and other public agencies located in Westchester County (collectively, the "Westchester Governmental Customers"). NYPA has entered into an evergreen supplemental electricity supply agreement with all 103 Westchester Governmental Customers. Among other things provided by 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 hydroelectric plants. The remainder of the Westchester Governmental Customers' load requirements are supplied through energy and capacity purchased from the NYISO markets. Sales of energy generated by the small hydroelectric resources into the NYISO markets, as well as grandfathered and historic fixed priced transmission congestion contracts, all help to offset the cost of the energy purchased, with an energy charge adjustment mechanism in place for cost reconciliation.

HTP Transmission Line

In 2011 the Authority's Trustees authorized Authority staff to enter into an agreement with Hudson Transmission Partners, LLC ("HTP") for the purchase of capacity to meet the long-term requirements of the Authority's NYC Governmental Customers and to improve the transmission infrastructure serving New York City through the transmission rights associated with HTP's transmission line (the "Line") extending from Ridgefield, New Jersey in the PJM Interconnection, LLC ("PJM") transmission system, to Consolidated Edison Company of New York, Inc.'s ("Con Edison") West 49th Street substation. Specifically, the Authority executed a Firm Transmission Capacity Purchase Agreement ("FTCPA") with HTP under which the Authority gained the entitlement to 75% of the Line's 660 MW capacity, or 495 MW, for 20 years. On March 31, 2017, the Authority and HTP amended the FTCPA

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to, among other changes, (a) create a mechanism for HTP to relinquish its Firm Transmission Withdrawal Rights (“FTWRs”) as discussed below and (b) increase the Authority’s portion of the Line’s capacity to 87.12%, or 575 MW, at a monthly capacity charge rate that represents a decrease in the unit price (on a \$/MW-month basis) paid to HTP in the original FTCPA.

The Authority’s payment obligations under the FTCPA include capacity payments, interconnection and transmission upgrades, and Regional Transmission Expansion Plan (“RTEP”)/Transmission Enhancement Charges (“TEC”) allocated to HTP in accordance with the PJM tariff. Interconnection and transmission upgrades were completed in 2018 at a total cost to the Authority of \$335 million. 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, 2024, the Authority estimated that its under-recovery of costs for the Line could be in the range of approximately \$80 million to \$90 million per year over the period from 2025-2028. The under-recovery estimates were based on projections of the capacity payment obligations, the costs of interconnection and transmission upgrades and energy revenues.

The Authority’s obligations under the FTCPA include payment of the RTEP charges allocated to HTP. From June 2013 through December 2024, the Authority has paid approximately \$173 million in RTEP charges for the Line. Effective 2018, HTP relinquished the FTWRs held by HTP on the Line that were the basis for a significant share of its RTEP allocations. PJM’s annual RTEP cost allocation update for 2018 eliminated the Authority’s obligation in 2018 and beyond to pay RTEP charges related to the Bergen Linden Corridor (“BLC”) project, which accounted for the bulk of the projected RTEP allocations to HTP.

Regarding the RTEP charges assessed prior to the 2018 relinquishment of the FTWRs, the Authority and HTP and other New York parties contested the FERC-approved PJM RTEP allocations for the BLC project as unjust and unreasonable before the D.C. Circuit Court of Appeals. On August 9, 2022, the Court agreed with the Authority, HTP and the other New York parties that PJM’s RTEP cost allocation methodology for the BLC project was not just and reasonable and remanded the case to FERC. The Authority can expect refunds, but FERC’s order on remand is still pending and the expected refund amount is uncertain at this time.

While PJM had determined that the Authority had no RTEP payment responsibility starting in 2018 because of HTP’s FTWR relinquishment, in 2020, FERC reversed PJM’s determination over the Authority’s objections and held 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 projects other than the BLC project. 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. Depending on PJM TO’s Annual Revenue Requirement, the RTEP charges could trend downward during the out years. The Authority contested the 2020 FERC order and appealed it to the D.C. Circuit Court of Appeals. The Authority’s appeal was rejected by the D.C. Circuit on July 26, 2024, thus leaving these RTEP/TEC allocations in place. The Authority determined that it would not seek rehearing or appeal of the D.C. Circuit decision, thus closing the matter.

c) 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

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("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.

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

On May 3, 2023, Chapter 56 of the Laws of 2023 was enacted as a part of the 2023-2024 Enacted State Budget. Among other things, the law directed NYPA to publish, within two years of enactment, a plan to deactivate NYPA's small natural gas power plants. 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 Authority's strategy to meet the legislative mandate, the Authority is on schedule to publish a plan by May 5, 2025, to stop generating electricity with fossil fuel at the SNGPPs by the end of 2030, if conditions allow. The plan could include potential alternative usages at these sites such as battery storage.

d) 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

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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.

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 the parties are waiting for the Court to schedule a date for oral argument.

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 amounts of the Authority's insurance coverage, where applicable, or the amount which the Authority has available therefore and without any material adverse effect on 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.

e) 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.

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Below is a description of these lease arrangements:

(i) *Property Leases*

The Authority leases properties throughout the New York area in order to serve its customers. These sites include its 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 2024 and 2023. At 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. At December 31, 2023, the right-to-use lease asset for property leases amounted to approximately \$12 million, net of \$2 million of accumulated amortization, with a corresponding lease liability of \$10 million.

The Authority has \$16 million of principal and \$2 million of interest requirements to maturity for the Authority's leases from 2024-2035.

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 2024 was \$2 million and \$1 million, respectively. At December 31, 2024, the lease asset receivable and the corresponding deferred inflow of resources were approximately \$51 million and \$43 million, respectively. The total amount of lease revenue and interest revenue in 2023 was \$3 million and \$2 million, respectively. At December 31, 2023, the lease asset receivable and the corresponding deferred inflow of resources were approximately \$51 million and \$45 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:

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<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
		(in millions)	
2025	\$ -	\$ 1	\$ 1
2026	1	1	2
2027	2	1	3
2028	2	1	3
2029	2	1	3
2030-34	10	5	15
2035-39	13	3	16
2040-44	17	2	19
2045-49	4	-	4
Total	\$ 51	\$ 15	\$ 66

f) Subscription-based information Technology Arrangements (“SBITA”)

In 2023, the Authority adopted the provisions of GASB No. 96, effective January 1, 2023, for agreements whereby the Authority has the right to obtain the present service capacity from the use of the underlying IT asset and the right to determine the nature and manner of use of the underlying IT asset for a period greater than one year.

At 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. At December 31, 2023, the right-to-use subscription assets amounted to approximately \$36 million, net of \$6 million of accumulated amortization, included in capital assets, with a corresponding subscription liability of \$22 million on the Consolidated Statements of Net Position.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
		(in millions)	
2025	\$ 14	\$ 1	\$ 15
2026	10	1	11
2027	5	-	5
2028	4	-	4
Total	\$ 33	\$ 2	\$ 35

g) Relicensing of Niagara - New York State Office of Parks, Recreation and Historic Preservation

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FERC issued the Authority a new 50-year license for the Niagara 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 had estimated that the capital cost associated with the relicensing of the Niagara project would be approximately \$495 million of which approximately \$472 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, 2024, the balance in the recorded liability associated with Niagara relicensing on the consolidated statement of net position is \$188 million (\$12 million in current and \$176 million in other noncurrent liabilities). As of December 31, 2023, the balance in the recorded liability associated with the Niagara relicensing on the consolidated statement of net position is \$189 million (\$13 million in current and \$176 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. In order 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, 2024, there were no Subordinated Notes outstanding. See Note 8 “Long-Term and Short-Term Debt” of the notes to the consolidated financial statements. In addition to the funds what were accelerated with the proceeds from the Subordinate Notes, the Authority made a \$2 million payment to the OPRHP State Parks Greenway Fund in 2024.

h) 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 ten 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

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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.

As of December 31, 2024, 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, 2024, the balance in the recorded liability associated with the St. Lawrence-FDR Project relicensing on the consolidated statement of net position is \$31 million (\$3 million in current and \$28 million in other noncurrent liabilities).

A tentative agreement has been reached for the second 10-Year Review and is expected to be submitted to the Trustees in March, a total commitment from the Authority is approximately \$20 million.

i) 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. 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 \$10 million through December 31, 2024. The Authority has established a Recreation Fund in the amount of \$4 million (total commitment under the settlement package is \$6 million) of which \$4 million 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, 2024, the balance in the recorded liability associated with the Blenheim-Gilboa Pumped Storage Power Project relicensing on the consolidated statement of net position is \$20 million (\$1 million in current and \$19 million in other noncurrent liabilities).

j) Construction Contracts

Estimated costs to be incurred on outstanding contracts in connection with the Authority's construction programs aggregate to approximately \$951 million at December 31, 2024.

(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, 2024, the Authority has spent approximately \$574 million: \$515 million in capital and \$59 million in non-recurring O&M Investment. As of December 31, 2023, the Authority has spent approximately \$541 million: \$482 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. Reinvestment

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in this strategic component of the Authority's overall mission supports the repair, upgrade and/or expansion of the transmission infrastructure. The Transmission LEM Program will be financed with internal funds and proceeds from debt obligations issued by the Authority. 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 project's Lewiston Pump-Generating Plant, (Lewiston LEM Program), of which approximately \$401 million has been spent as of December 31, 2024, and \$394 million has been spent as of December 31, 2023. The work to be done 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 overall 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 2025.

Next Generation Niagara

The NextGen Niagara program replaces, overhauls, and/or upgrades the thirteen (13) generating units and their associated auxiliary power generating equipment. Improvements will include replacing aging equipment with the latest machinery that reflects advanced digital technologies for optimizing the hydroelectric project's performance. The program is comprised of four main projects: Controls Upgrade, Mechanical/Electrical Overhauls, Penstock Platform, and 630-ton Gantry Crane Replacement. As of December 31, 2024, and 2023, the Authority has spent approximately \$197 million and \$150 million, respectively.

BuildSmart 2025

BuildSmart 2025 is New York State's program for aggressively pursuing energy efficiency savings in New York State-owned and occupied buildings of 11 TBtu by December 31, 2025, while advancing economic growth, environmental protection, and energy security in New York State. BuildSmart 2025 expands and continues the requirements of BuildSmart NY to assist State entities in meeting statutory requirements established by the CLCPA and Executive Order 22, that "all state agencies shall assess and implement strategies to reduce their greenhouse gas emissions". The Authority manages the BuildSmart 2025 program and monitors New York State agency performance. Since the baseline of state fiscal year 2014/15, the program has achieved 9.55 TBtu towards the 11 TBtu goal. This progress puts New York State on track to meet the 11 TBtu goal by the end of the year 2025.

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 a two-year period from April 1, 2017, to March 31, 2019, under which the Authority committed to purchase ZECs in a quantity based on its proportional load in the New York control area. The Authority and NYSERDA executed an additional agreement

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covering a nine-year period from April 1, 2020, to April 1, 2029, under which the Authority committed to purchase ZECs in a quantity based on its proportional load in the New York control area, subject to certain adjustments. As of December 31, 2024, the Authority estimates that it will incur costs associated with participation in the ZEC program of \$380 million in aggregate over the 2025 - 2028 period, of which approximately \$2 million is not expected to be recovered under customer contracts that predate the adoption of the CES. As of December 31, 2024, the Authority has paid \$473 million in ZEC purchase costs, and as of December 31, 2023, it paid \$397 million.

The CLCPA and the Authority's VISION2030 establish the goal to meet 70% of electricity demand from renewable resources by 2030. The Authority is collaborating with its customers to achieve the renewable energy goals in the ways that best meet their needs. As one component of its future renewable supply, the Authority executed an agreement with NYSERDA on August 30, 2021 to start purchasing Tier 1 Renewable Energy Credits ("REC(s)") in 2024. On April 20, 2023 the NYSPSC issued an order modifying the way in which NYSERDA administers the Tier 1 REC program starting in 2025. The Authority has engaged with NYSERDA on amending the Tier 1 REC contract in response to the program modifications. The Authority is exploring opportunities to further support its customers achieve these renewable energy goals under its new Expanded Authority.

Grants

Legislation at the federal and state levels have provided potential additional competitive sources of funding for NYPA and Canal Corporation capital programs. To access the additional funding, each organization must apply for consideration to the relevant federal or state entity. Funding will only be pursued to offset the costs of approved capital projects that are aligned with the Authority's core mission, VISION2030, and/or CLCPA. Through the Infrastructure Investment and Jobs Act (IIJA), NYPA has been awarded five grants totaling \$54 million in Department of Energy grants through the Transmission Siting and Economic Development and Maintaining and Enhancing Hydroelectricity Incentives programs. This amount includes \$44 million for Propel project. Refer to the section on Propel New York Energy Project in MD&A for further information.

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

Electric Vehicle Acceleration Initiative

In 2018, the Authority's Trustees approved an overall allocation of \$125 million to be used through 2025 for an electric vehicle charging acceleration initiative of which to date \$100 million was authorized for capital expenditure. The Authority will operate a charging network of up to 400 Direct Current fast chargers across the State by 2025. As of December 31, 2024, 212 fast chargers were in operation, and approximately \$70 million had been spent. As of December 31, 2023, 156 fast chargers were in operation, and approximately \$46 million had been spent.

(21) 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.

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

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Comptroller and the Commissioner of Taxation and Finance. 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. For the year ended December 31, 2023, the Canal Corporation recognized \$2 million in operating revenues, \$74 million in operations and maintenance expenses, and \$41 million in depreciation expenses.

(22) Inflation Reduction Act

On August 16, 2022, the Inflation Reduction Act of 2022 (“IRA”) was signed into law which aims to reduce U.S. carbon emissions and promote economic development through investments in clean and renewable energy projects. The clean energy tax credits created or expanded by the IRA are intended to drive rapid adoption of energy efficiency, electric transportation, and solar energy. The Authority has undertaken initiatives, as listed below, 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 which 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 and filed its tax return in November 2024. 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.

North Country Energy Storage – The Authority developed and built a 20MW/20MWh battery to be the first of its kind in the North Country. By strategically siting the storage system at the Willis Substation, the project will maximize wholesale market revenue, demonstrate storage integration in a renewable rich area of the state, and position the Authority as a leader in battery storage.

The other projects include 175 KWac rooftop solar installation at the Authority’s Zeltmann facility, development and operation of Direct Current Fast Charger stations, and fleet electrification of light duty assets (Sedans, SUV’s, and light pickups).

(23) FEMA reimbursement for COVID

The Authority spent a total of \$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 the \$33 million. As of December 2024, the Authority received \$1 million with an additional estimated \$8 million to be received in 2025. \$11 million of the \$20 million reimbursable cost, related to sheltering NYPA employees in place was deemed ineligible for reimbursement by FEMA, and the Authority has appealed this decision.

However, there is no certainty or predictability regarding the recovery of this amount due to actions beyond the control of the Authority, such as changes in legislation.

Required Supplementary Information
(Unaudited)

New York Power Authority
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Schedule of Changes in the New York Power Authority's Net OPEB Liability and Related Ratios
(\$ in millions, except percentages)

	June 30,					December 31,		
	2024	2023	2022	2021	2020	2019	2018	2017
<u>Total OPEB Liability</u>								
Service cost	\$ 14	\$ 14	\$ 14	\$ 20	\$ 6	\$ 13	\$ 12	\$ 12
Interest	45	43	43	42	18	39	38	36
Change of benefit terms	1	-	4	(2)	-	-	-	-
Differences between expected and actual experience	(6)	(1)	8	(1)	(2)	2	-	-
Change of assumptions	(42)	-	(42)	(153)	(3)	(72)	-	-
Canal transfer to the Power Authority OPEB Plan	-	-	-	218	-	-	-	-
Benefit payments	(30)	(30)	(32)	(34)	(12)	(25)	(25)	(22)
Net change in total OPEB liability	(18)	26	(5)	90	7	(43)	25	26
Total OPEB liability – beginning	635	609	614	524	517	560	535	509
Total OPEB liability – ending	\$ 617	\$ 635	\$ 609	\$ 614	\$ 524	\$ 517	\$ 560	\$ 535
<u>Plan Fiduciary Net Position</u>								
Contributions – employer	\$ 30	\$ 29	\$ 32	\$ 34	\$ 12	\$ 25	\$ 25	\$ 22
Net investment income	87	74	(93)	136	(36)	122	(35)	88
Benefit payments	(30)	(30)	(32)	(34)	(12)	(25)	(25)	(22)
Administrative expense	(4)	(9)	(9)	-	(1)	(2)	(2)	(2)
Net change in plan fiduciary net position	83	64	(102)	136	(37)	120	(37)	86
Plan fiduciary net position – beginning	747	683	785	649	686	566	603	517
Plan fiduciary net position – ending	\$ 830	\$ 747	\$ 683	\$ 785	\$ 649	\$ 686	\$ 566	\$ 603
Net OPEB liability / (asset) – ending	\$ (213)	\$ (112)	\$ (74)	\$ (171)	\$ (125)	\$ (169)	\$ (6)	\$ (68)
Plan fiduciary net position as a percentage of the total OPEB liability	135%	118%	112%	128%	124%	133%	101%	113%
Covered-employee payroll	\$ 297	\$ 257	\$ 257	\$ 227	\$ 200	\$ 200	\$ 177	\$ 177
Net OPEB liability / (asset) as a percentage of covered-employee payroll	(72%)	(44%)	(29%)	(75%)	(63%)	(85%)	(3%)	(38%)

Notes to schedule:

The amounts presented for the Authority's 2024 net OPEB liability (asset) were 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. This schedule is intended to present 10 years of data. Additional years will be presented prospectively. The 2021 amount includes the Canal Corporation transfer to NYPA OPEB Plan (merged plan).

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Schedule of the 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, 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%
December 31, 2015	38	38	-	149	26%

Notes to schedule:

Contributions: NYPA made contributions on a pay as you go basis in 2024 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 contributions

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: 7.0%

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.

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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, 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%
December 31, 2015	0.41%

Note to schedule:

Average rate of return over ten-year period was 6.5%.

New York Power Authority

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Schedule of Changes in the Canal Corporation's Net OPEB Liability and Related Ratios
(\$ in millions, except percentages)

	<u>June 30,</u>		<u>December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Change in Net OPEB Liability</u>					
Service cost	\$ -	\$ 4	\$ 8	\$ 9	\$ 7
Interest	-	3	8	8	8
Differences between expected and actual experience	-	-	(8)	-	-
Change of assumptions	-	16	(30)	(18)	20
Canal transfer to the Power Authority OPEB Plan	(218)	-	-	-	-
Benefit payments	-	(3)	(6)	(7)	(6)
Net change in total OPEB liability	(218)	20	(28)	(8)	29
Net OPEB liability – beginning	218	198	226	234	205
Net OPEB liability – ending	\$ -	\$ 218	\$ 198	\$ 226	\$ 234
Covered-employee payroll	N/A	\$ 27	\$ 27	\$ 24	\$ 24
Net OPEB liability / (asset) as a percentage of covered-employee payroll	N/A	807%	733%	942%	975%

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Schedules Relating to the Employees' Retirement System Pension Plan

(\$ in millions, except percentages)

Schedule of Proportionate Share of the Net Pension Liability

<u>As of March 31,</u>	<u>Proportion of the Net Pension Liability (Asset) Percentage</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Employee Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a percentage of the Total Pension Liability</u>
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%
2015	0.59%	20	150	13.3%	97.9%

Schedule of Contributions

<u>Year Ending December 31,</u>	<u>Actuarially Required Contribution</u>	<u>Actual Contribution</u>	<u>Contribution (Excess) Deficiency</u>	<u>Covered Employee Payroll</u>	<u>Contribution as a percentage of Covered Payroll</u>
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%
2015	25	25	-	150	17%

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Detailed Financials

A) Statement of Net Position (In millions)

	NYPA		SFP		Captive		NYREDHC		Total	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
Assets and Deferred Outflows										
Current assets:										
Cash and cash equivalents										
Unrestricted	\$ 270	\$ 311	\$ 51	\$ 96	10	\$ 31	\$ 4	\$ -	\$ 335	\$ 438
Restricted	8	1	-	-	-	-	-	-	8	1
Capital Fund	82	3	-	38	-	-	-	-	82	41
Total Cash and cash equivalents	360	315	51	134	10	31	4	-	425	480
Investment in securities										
Unrestricted	852	969	117	341	110	74	94	-	1,173	1,384
Restricted	13	13	-	-	-	-	-	-	13	13
Committed	453	136	-	-	-	-	-	-	453	136
Total Investment in securities	1,318	1,118	117	341	110	74	94	-	1,639	1,533
Receivables - customers	379	266	5	3	-	-	-	-	384	269
Materials and supplies:										
Plant and general	80	75	-	-	-	-	-	-	80	75
Fuel	51	51	-	-	-	-	-	-	51	51
Miscellaneous receivables and other	119	134	1	2	2	5	2	-	124	141
Total current assets	2,307	1,959	174	480	122	110	100	-	2,703	2,549
Capital assets:										
Non-Utility Assets, net of accumulated depreciation	37	77	-	-	-	-	-	-	37	77
Assets, not depreciated	897	758	465	270	-	-	-	-	1,362	1,028
Assets, net of accumulated depreciation	4,853	4,886	1,046	917	-	-	-	-	5,899	5,803
Total capital assets	5,787	5,721	1,511	1,187	-	-	-	-	7,298	6,908
Other long-term assets	1,064	879	35	17	-	-	-	-	1,099	896
Total noncurrent assets	6,851	6,600	1,546	1,204	-	-	-	-	8,397	7,804
Total assets	9,158	8,559	1,720	1,684	122	110	100	-	11,100	10,353
Deferred outflows of resources:										
Asset retirement obligation	17	19	-	-	-	-	-	-	17	19
Accumulated decrease in fair value of derivatives	20	40	-	-	-	-	-	-	20	40
Pensions	128	140	-	-	-	-	-	-	128	140
Postemployment benefits other than pensions	82	128	-	-	-	-	-	-	82	128
Total deferred outflows of resources	247	327	-	-	-	-	-	-	247	327
Total assets and deferred outflows of resources	\$ 9,405	\$ 8,886	\$ 1,720	\$ 1,684	\$ 122	\$ 110	\$ 100	\$ -	\$ 11,347	\$ 10,680

See accompanying independent auditors' report

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	NYPA		SFP		Captive		NYREDHC		Total	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
Liabilities, Deferred Inflows and Net Position										
Current liabilities:										
Accounts Payable and accrued liabilities	\$ 841	\$ 779	\$ 11	\$ 62	\$ 5	\$ 4	\$ -	\$ -	\$ 857	\$ 845
Short-term debt	438	227	-	-	-	-	-	-	438	227
Long-term debt due within one year	-	17	20	16	-	-	-	-	20	33
Total current liabilities	1,279	1,023	31	78	5	4	-	-	1,315	1,105
Noncurrent liabilities:										
Long-term debt:										
Senior:										
Revenue bonds	1,805	1,519	-	-	-	-	-	-	1,805	1,519
Subordinated:										
Subordinated Notes	-	35	-	-	-	-	-	-	-	35
Separate Revenue Bond Obligation:										
SFP Bonds 2022	-	-	617	640	-	-	-	-	617	640
SFP Bonds 2023	-	-	750	751	-	-	-	-	750	751
Total long-term debt	1,805	1,554	1,367	1,391	-	-	-	-	3,172	2,945
Other noncurrent liabilities:										
Nuclear fuel disposal	258	245	-	-	-	-	-	-	258	245
Relicensing	223	223	-	-	-	-	-	-	223	223
Other long-term liabilities	357	357	-	-	-	-	-	-	357	357
Total other noncurrent liabilities	838	825	-	-	-	-	-	-	838	825
Total noncurrent liabilities	2,643	2,379	1,367	1,391	-	-	-	-	4,010	3,770
Total liabilities	3,922	3,402	1,398	1,469	5	4	-	-	5,325	4,875
Deferred inflows of resources:										
Unearned revenue	27	45	-	-	-	-	-	-	27	45
Cost of removal obligations	476	435	-	-	-	-	-	-	476	435
Accumulated increase in fair value of derivatives	-	4	-	-	-	-	-	-	-	4
Pensions	66	11	-	-	-	-	-	-	66	11
Lease revenue	43	45	-	-	-	-	-	-	43	45
Postemployment benefits other than pensions	176	190	-	-	-	-	-	-	176	190
Total deferred inflows of resources	788	730	-	-	-	-	-	-	788	730
Net Position:										
Net investment in capital assets	3,463	3,361	-	-	-	-	-	-	3,463	3,361
Unrestricted	1,218	1,393	322	215	117	106	100	-	1,757	1,714
Restricted	14	-	-	-	-	-	-	-	14	-
Total net position	4,695	4,754	322	215	117	106	100	-	5,234	5,075
Total liabilities, deferred inflows of resources and net position	\$ 9,405	\$ 8,886	\$ 1,720	\$ 1,684	\$ 122	\$ 110	\$ 100	\$ -	\$ 11,347	\$ 10,680

See accompanying independent auditors' report

New York Power Authority
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B) Statement of Revenues, Expenses and Changes in Net Position (In millions)

	NYPA		SFP		Captive		NYREDHC		Total	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
Operating revenues:										
Power sales	\$ 2,060	\$ 1,773	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,060	\$ 1,773
Transmission	317	376	192	97	-	-	-	-	509	473
Transportation and delivery	810	747	-	-	-	-	-	-	810	747
Other	50	39	-	-	7	2	-	-	57	41
Total operating revenues	3,237	2,935	192	97	7	2	-	-	3,436	3,034
Operating expenses:										
Purchased power	678	605	-	-	-	-	-	-	678	605
Fuel oil and gas	214	176	-	-	-	-	-	-	214	176
Transportation and delivery	1,174	1,107	-	-	-	-	-	-	1,174	1,107
Operations and maintenance	744	707	27	16	-	-	-	-	771	723
Depreciation and amortization	339	299	14	8	-	-	-	-	353	307
Total operating expenses	3,149	2,894	41	24	-	-	-	-	3,190	2,918
Operating income	88	41	151	73	7	2	-	-	246	116
Nonoperating revenues, gains (losses) and (expenses):										
Investment income	51	70	17	9	4	4	-	-	72	83
Interest on long-term debt	(71)	(80)	(64)	(31)	-	-	-	-	(135)	(111)
Interest - other	(33)	(28)	-	-	-	-	-	-	(33)	(28)
Interest capitalized	52	58	-	-	-	-	-	-	52	58
Amortization of debt premium	2	(1)	3	2	-	-	-	-	5	1
Other	(48)	11	-	-	-	-	-	-	(48)	11
Total nonoperating losses and expenses	(47)	30	(44)	(20)	4	4	-	-	(87)	14
Net income and change in net position	\$ 41	\$ 71	\$ 107	\$ 53	\$ 11	\$ 6	\$ -	\$ -	\$ 159	\$ 130

See accompanying independent auditors' report

New York Power Authority
(A Component Unit of the State of New York)
Required Supplementary Information
(Unaudited)

C) Statement of Cash Flows (In millions)

	NYPA		SFP		Captive		NYREDHC		Total	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
Cash flows from operating activities:										
Customer sales	3,067	2,947	149	97	11	1	-	-	3,227	3,045
Disbursements for:										
Purchased power	(685)	(601)	-	-	-	-	-	-	(685)	(601)
Fuel oil and gas	(200)	(192)	-	-	-	-	-	-	(200)	(192)
Transportation and delivery	(1,167)	(1,089)	-	-	-	-	-	-	(1,167)	(1,089)
Operations and maintenance	(736)	(726)	(27)	(16)	-	-	-	-	(763)	(742)
Net cash provided by operating activities	279	339	122	81	11	1	-	-	412	421
Cash flows from capital and related financing activities:										
Gross additions to capital assets	(307)	(248)	(369)	(451)	-	-	-	-	(676)	(699)
Proceeds from issuance of Series 2023 Green Bonds	513	-	-	751	-	-	-	-	513	751
Issuance costs paid on debt	(5)	-	-	(10)	-	-	-	-	(5)	(10)
Repayment/defeasance of bonds	(275)	(108)	-	-	-	-	-	-	(275)	(108)
Repayment of notes/bonds	(16)	-	(16)	(2)	-	-	-	-	(32)	(2)
Investment of Subsidiary	(4)	(100)	-	-	-	100	4	-	-	-
Interest paid, net	(55)	(69)	(64)	(26)	-	-	-	-	(119)	(95)
Net cash used in capital and related financing activities	(149)	(525)	(449)	262	-	100	4	-	(594)	(163)
Cash flows from noncapital-related financing activities:										
Energy conservation program payments received from participants	255	334	-	-	-	-	-	-	255	334
Energy conservation program costs	(352)	(269)	-	-	-	-	-	-	(352)	(269)
Proceeds from issuance of commercial paper	273	138	-	-	-	-	-	-	273	138
Repayment of commercial paper	(62)	(91)	-	-	-	-	-	-	(62)	(91)
Interest paid on commercial paper	(13)	(6)	-	-	-	-	-	-	(13)	(6)
Margin Deposits with Brokers	16	37	-	-	-	-	-	-	16	37
Other	10	-	-	-	-	-	-	-	10	-
Net cash provided by noncapital-related financing activities	127	143	-	-	-	-	-	-	127	143
Cash flows from investing activities:										
Earnings received on investments	75	36	18	11	6	6	-	-	99	53
Purchase of investment securities	(2,299)	(4,012)	(9)	(462)	(39)	(76)	-	-	(2,347)	(4,550)
Maturities/sale of investment securities	2,012	4,020	235	203	1	-	-	-	2,248	4,223
Net cash used in investing activities	(212)	44	244	(248)	(32)	(70)	-	-	-	(274)
Net (decrease) increase in cash	45	1	(83)	95	(21)	31	4	-	(55)	127
Cash and cash equivalents, January 1	315	314	134	39	31	-	-	-	480	353
Cash and cash equivalents, December 31	360	315	51	134	10	31	4	-	425	480
Reconciliation to net cash provided by operating activities:										
Operating income	88	41	151	73	7	2	-	-	246	116
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	339	299	14	8	-	-	-	-	353	307
Net (increase) in miscellaneous prepayments and other	(52)	(49)	-	-	-	-	-	-	(52)	(49)
Net (increase) decrease in receivables and materials and supplies	(76)	110	(43)	-	4	(1)	-	-	(115)	109
Net (decrease) in accounts payable/accrued liabilities and other	(20)	(62)	-	-	-	-	-	-	(20)	(62)
Net cash provided by operating activities	279	339	122	81	11	1	-	-	412	421
See accompanying independent auditors' report										