OFFERING MEMORANDUM
BOOK ENTRY ONLY
POWER AUTHORITY OF THE STATE OF NEW YORK

SERIES 1

$450,000,000 3(a)(2) (Federally Tax-Exempt)
Commercial Paper Notes

SERIES 2

$250,000,000 3(a)(2) (Federally Tax-Exempt)
Commercial Paper Notes

SERIES 3B

$150,000,000 3(a)(2) (Federally Taxable)
Commercial Paper Notes

SERIES 4

$100,000,000 3(a)(2) (Federally Tax-Exempt)
Commercial Paper Notes (Green Commercial Paper Notes)

Ratings
A-1+/P-1/F1+

November 17, 2025

No dealer, broker, salesperson or other person has been authorized by the Authority or the Dealers to give any information or to make any representation, other than the information and representations contained in this Offering Memorandum, in connection with the offering of the Notes, and, if given or made, such information or representations must not be relied upon as having been authorized by the Authority or the Dealers. This Offering Memorandum does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

The information set forth herein has been furnished by the Authority and includes information obtained from other sources, all of which are believed to be reliable. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority. Such information and expressions of opinion are made for the purpose of providing information to prospective investors and are not to be used for any other purpose or relied on by any other party.

This Offering Memorandum contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "estimate", "project", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. A number of important factors affecting the Authority's business and financial results could cause actual results to differ materially from those stated in the forward-looking statements.

The Dealers have provided the following sentence for inclusion in this Offering Memorandum: The Dealers have reviewed the information in this Offering Memorandum in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Dealers do not guarantee the accuracy or completeness of such information.

The Issuing and Paying Agent has no responsibility for the form and content of this Offering Memorandum and has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Offering Memorandum or any information or disclosure contained herein, or omitted herefrom.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE OFFERING MEMORANDUM AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS OFFERING MEMORANDUM CONSISTS OF THE COVER PAGE, THE INSIDE COVER PAGE, THE TABLE OF CONTENTS, THE MAIN BODY, THE APPENDICES AND THE INFORMATION INCLUDED BY SPECIFIC CROSS-REFERENCE HEREIN. THE OFFERING MEMORANDUM SHOULD BE READ IN ITS ENTIRETY. INFORMATION CONTAINED ON THE AUTHORITY'S WEB SITE DOES NOT CONSTITUTE PART OF THIS OFFERING MEMORANDUM.

Despite the pre-issuance review by Sustainalytics of the expected uses of proceeds of the Series 4 Notes, conducted in accordance with the Second Party Opinion, dated September 6, 2024, and the New York Power Authority Green Bond and Green Commercial Paper Notes Framework dated September 2024, it should be noted that there is currently no clearly defined regulatory definition applicable to "green bonds" or "green commercial paper notes." No assurance can be given that such a clear definition will develop over time, or that, if developed, it will include the projects to be financed or refinanced with the proceeds of the Series 4 Notes. Accordingly, no assurance is or can be given to investors that any uses of the proceeds of the Series 4 Notes will meet investor expectations regarding such "green" or other equivalently labeled performance objectives or that any adverse environmental and other impacts will not occur during the construction or operation of projects to be financed with proceeds of the Series 4 Notes.

The term "Green Commercial Paper Notes" is neither defined in nor related to the General Bond Resolution or the Commercial Paper Resolution, and its use herein is for identification purposes only and is

not intended to provide or imply that a holder of the Series 4 Notes is entitled to any additional security or rights other than as provided in the General Bond Resolution or the Commercial Paper Resolution. The Authority has not agreed, and will have no obligation, to provide any reporting specific to the use of proceeds of the Series 4 Notes.

The Authority maintains a website and certain social media accounts. The Authority's websites and social media accounts are not part of this Offering Memorandum and should not be relied upon in making an investment decision with respect to the Notes, and are not part of this Offering Memorandum. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Offering Memorandum.

Table of Contents

INTRODUCTION

Purpose of this Offering Memorandum

This Offering Memorandum provides certain information concerning the Power Authority of the State of New York (the "Authority") in connection with the Authority's "Power Authority Commercial Paper Notes," which are authorized to be issued as separate series of Commercial Paper Notes (the "Commercial Paper Notes") from time to time in accordance with the provisions of the Second Amended and Restated Resolution Authorizing Commercial Paper Notes adopted by the Authority on March 30, 2021 (the "Second Amended and Restated Commercial Paper Resolution") and the Fifth Amended and Restated Certificate of Determination dated August 28, 2025, as amended (the "Certificate of Determination" and together with the Second Amended and Restated Commercial Paper Resolution, the "Commercial Paper Resolution"). Currently, four series of Commercial Paper Notes, designated as Series 1 Notes, Series 2 Notes, Series 3B Notes, and Series 4 Notes have been authorized to be issued. In addition, one series of Commercial Paper Notes, the Series 3A Notes, are authorized to be issued, but no Series 3A Notes are currently outstanding and the Authority has no plans to issue Series 3A Notes. This Offering Memorandum is intended to provide disclosure only with respect to the Series 1 Notes, the Series 2 Notes, the Series 3B Notes, and the Series 4 Notes. In the event the Authority issues Series 3A Notes, it would circulate a revised Offering Memorandum relating thereto. The Series 1 Notes, the Series 2 Notes, the Series 3B Notes, and the Series 4 Notes are collectively referred to herein as the "Notes." The Authority has designated the Series 4 Notes as "Green Commercial Paper Notes" due to the environmental benefits of the projects expected to be financed with proceeds of the Series 4 Notes. Sustainalytics has reviewed and verified that the expected use of proceeds, processes for project selection, management of proceeds, and reporting for the Series 4 Notes are aligned with the Authority's Green Bond and Green Commercial Paper Notes Framework (as described below). See "THE NOTES – *Designation of Series 4 Notes as 'Green Commercial Paper Notes'*" herein.

The Notes are authorized to be issued pursuant to the Power Authority Act of the State of New York, 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 "Act"), the Commercial Paper Resolution and the Authority's General Resolution Authorizing Revenue Obligations, adopted on February 24, 1998, as amended and supplemented (the "General Bond Resolution"). The Notes are payable from the Trust Estate which includes, subject to certain limited exceptions, all revenues derived directly or indirectly from any of the Authority's operations, except for revenues derived from the operation of a Separately Financed Project (as defined below). The Notes are secured by a lien on the Trust Estate junior and inferior to the lien of the Obligations and Parity Debt and on a parity with the lien of Subordinated Contract Obligations and other Subordinated Indebtedness.

Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Commercial Paper Resolution and, if not defined therein, in the General Bond Resolution.

The Authority

The Authority is a corporate municipal instrumentality and political subdivision of the State of New York (the "State") created in 1931 by the Act, and has its principal office located at 30 South Pearl Street, Albany, New York 12207-3425. The mission of the Authority 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 generates, transmits, purchases and sells electric power and energy as authorized by law. The Authority's customers include municipal and rural electric cooperatives located throughout the State, local governments, investor-owned utilities, high load factor industrial customers, commercial/industrial and not-for-profit businesses, and

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

The Authority owns and/or operates five major generating facilities, seven small natural gas power plants, including four dual units, and four small hydroelectric facilities with a total installed capacity of approximately 6,000 megawatts ("MW"), and approximately 1,550 circuit miles of transmission lines, including major 765 kilovolt ("kV") and 345 kV transmission facilities. The Authority also owns and operates one utility-scale 20-MW battery energy storage system. The Authority'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.

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

In May 2023, the Authority established the NYPA Captive Insurance Company (the "Captive") as a wholly-owned subsidiary of the Authority to reduce the Authority's and its subsidiaries' need for commercial insurance and to enable the Authority to manage its overall risk more effectively and economically.

The 2023-2024 Enacted State Budget amended the Act to, among other things, expand the Authority's power to plan, design, develop, finance, construct, own, operate, maintain, and improve renewable energy generating projects ("Expanded Authority"). The Authority was authorized to exercise and perform its Expanded Authority through one or more wholly-owned subsidiaries. On November 21, 2024, the Authority incorporated the New York Renewable Energy Development Holdings Corporation ("NYREDHC") under the State Business Corporation Law as a wholly-owned subsidiary of the Authority. On December 31, 2024, the Authority transferred $100 million to NYREDHC to undertake the purposes of its Expanded Authority. On February 28, 2025, NYREDHC acquired full ownership of Somers Solar, LLC, a Delaware limited liability company. Somers Solar, LLC was formed to develop, own, and operate a solar-powered electricity generation project of up to 20 MW at a site in Fort Edward, New York.

On June 23, 2025, New York's governor announced an initiative to develop an advanced nuclear facility with at least 1 gigawatt ("GW") of nameplate capacity. The Authority, in coordination with the Department of Public Service ("DPS"), will seek to develop at least one new nuclear energy facility with a combined capacity of no less than 1 GW of electricity, either alone or in partnership with private entities, to support the State's electric grid. The Authority currently has no material contractual obligations relating to this announcement.

The Commercial Paper Program and Other Authority Indebtedness

The Notes constitute Subordinated Indebtedness under the General Bond Resolution. The Series 1 Notes, Series 2 Notes and Series 4 Notes consist of Notes the interest on which is excluded from gross income for federal income tax purposes (together, the "Tax-Exempt Notes"). The Series 3B Notes consists of Notes the interest on which is not excluded from gross income for federal income tax purposes (the "Taxable Notes"). The interest on all Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof (including the City), except estate or gift taxes and taxes on transfers (see

the section herein entitled "TAX MATTERS"). The Certificate of Determination authorizes the issuance of an aggregate principal amount outstanding at any time up to $950,000,000 of Notes, in the following maximum principal amounts:

Series	Maximum Par
Series 1	$450,000,000
Series 2	$250,000,000
Series 3A	$0
Series 3B	$150,000,000
Series 4	$100,000,000

The Authority is permitted by the terms of the Second Amended and Restated Commercial Paper Resolution to adjust the maximum principal amount of each series or subseries of Notes, to add additional series or subseries of Notes, or to remove series or subseries of Notes by amending the Certificate of Determination. If the Authority determines to do so, this Offering Memorandum will be supplemented to reflect such changes or a new offering memorandum will be prepared.

As of June 30, 2025, the Authority had outstanding $350,000,000 of Series 1 Notes and $49,973,000 of Series 2 Notes. As of June 30, 2025, the Authority did not have any Series 3A Notes, Series 3B Notes, or Series 4 Notes outstanding.

The Authority may also issue additional Subordinated Indebtedness or incur Subordinated Contract Obligations payable from the Trust Estate subject and subordinate to the payments to be made with respect to senior Obligations, and any Parity Debt, and secured by a lien on and pledge of the Trust Estate junior and inferior to the lien on and pledge of the Trust Estate created for the payment of Obligations and any Parity Debt. As of May 31, 2025, the Authority had no Subordinated Notes outstanding. The Authority may issue its Extendible Municipal Commercial Paper Notes ("EMCP Notes") as permitted under the resolution authorizing the EMCP Notes, which are Subordinate Indebtedness. No EMCP Notes are currently outstanding.

In addition, on April 22, 2020, the Authority entered into a Note Purchase Agreement with JP Morgan Chase Bank, National Association, as the lender (as amended, the "2020 Note Purchase Agreement"). The outstanding principal amount of loans, collectively under the 2020 Revolving Credit Agreement (defined below) and the 2020 Note Purchase Agreement, as well as letters of credit issued pursuant to the 2020 Note Purchase Agreement, may not exceed $250,000,000 at any given time. Loans to the Authority under the 2020 Note Purchase Agreement may be used for the payment of any capital expenditures, operating expenses or any other lawful corporate purpose. As of the date hereof, there were no loans outstanding under the 2020 Note Purchase Agreement. As of this same date, the Authority issued a Letter of Credit in the amount of $964,735 under the Hybrid Credit Agreement (defined below) on behalf of NYREDHC for the benefit of Somers Solar, LLC.

In addition, as of June 30, 2025, the Authority had outstanding $1,684,630,000 in principal amount of Revenue Bonds, which are Obligations issued pursuant to the General Bond Resolution and have a lien on the Trust Estate senior to the Notes and any other Subordinated Indebtedness or Subordinated Contract Obligations. The Authority may issue additional Obligations pursuant to the General Bond Resolution, payable and secured on outstanding senior Obligations, for any purpose of the Authority authorized by the Act or by other then-applicable State statutory provisions. The Authority may also issue additional senior Parity Debt payable and secured on a parity with Obligations. Currently, there is no other senior Parity Debt outstanding. Parity Debt may also be incurred in connection with, among other things, Credit Facilities, Qualified Swaps and certain take-or-pay fuel or power contracts.

The Authority may issue additional Obligations under the General Bond Resolution or additional Subordinated Indebtedness, as defined in the General Bond Resolution, under subordinate resolutions for any purpose of the Authority authorized by the Act or other then-applicable State statutory provision. The principal amount of Obligations or Subordinated Indebtedness, which may be issued under the General Bond Resolution or under subordinate resolutions, respectively, is not limited, and there is no debt service coverage or historical or projected earnings test that must be satisfied as a precondition to any such issuance.

In addition, the Authority may issue bonds, notes, or other obligations or evidences of indebtedness, other than Obligations, for any project authorized by the Act or by other then-applicable State statutory provisions. The Authority also may finance any such project from other available funds (any project so financed is referred to herein as a "Separately Financed Project" or "SFP"), if the bonds, notes, or other obligations or evidences of indebtedness, if any, issued to finance such project and the Authority's share of any operating expenses related to such Separately Financed Project, are payable solely from the revenues or other income derived from the ownership or operation of such Separately Financed Project or from other available funds of the Authority released from the lien on the Trust Estate in accordance with the General Bond Resolution.

As permitted under the Authority's General Bond Resolution, on December 7, 2021, the Authority adopted its General Resolution Authorizing Transmission Project Revenue Obligations, as supplemented and amended (the "Transmission Bond Resolution"). The Transmission Bond Resolution authorizes the issuance of SFP Transmission Obligations (as defined in the Transmission Bond Resolution) 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 the Authority, including any transmission capacity in which the Authority has an interest or which it has a contractual right to use, as authorized by the Act or by other applicable State statutory provisions that have been designated by the Authority 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 ("SFP Transmission Projects"). Accordingly, SFP Transmission Obligations are neither payable from, nor secured by, Revenues under the General Bond Resolution and owners of SFP Transmission Obligations neither have any rights to, nor are secured by, any Revenues pledged to the payment of Obligations and Subordinated Indebtedness, including the Notes, issued under the Authority's General Bond Resolution. As of June 30, 2025, the Authority had $1,326,630,000 in principal amount outstanding of Transmission Revenue Bonds.

INCLUSION BY SPECIFIC CROSS-REFERENCE

The following documents filed with the Electronic Municipal Market Access System ("EMMA") of the Municipal Securities Rulemaking Board ("MSRB") are included by specific cross-reference in this Offering Memorandum:

- The Authority's Consolidated Financial Statements for the years ended December 31, 2024 and 2023 (With Independent Auditors' Report Thereon) and Management's Discussion and Analysis (Unaudited) (the "2024 Financial Statements");
- The Commercial Paper Resolution;
- The General Bond Resolution; and
- The Revolving Credit Agreements (as defined in the section herein entitled "Liquidity Support").

In addition, pursuant to the continuing disclosure undertakings executed by the Authority in connection with its outstanding bonds, the Authority files annual reports and notices of certain material events with EMMA, and official statements prepared by the Authority in connection with sales of its Obligations under the General Bond Resolution ("Official Statements") from time to time are filed with EMMA. Holders of the Notes issued from time to time pursuant to the Commercial Paper Resolution should review such annual reports, notices and Official Statements for information about the Authority. Annual reports, notices of material events and Official Statements filed with EMMA, and any other filings by the Authority with EMMA which are identified in such filing as intended to be included by specific reference in this Offering Memorandum after the date of this Offering Memorandum, are hereby included by specific reference herein. No statement or document on the Authority's website is included by specific cross-reference in this Offering Memorandum.

THE NOTES

General

The full faith and credit of the Authority are pledged for the payment of the Notes in accordance with the terms and provisions of the Commercial Paper Resolution. The Notes will not constitute a pledge of the full faith and credit of the State or of any political subdivision thereof, other than the Authority. The Authority has no taxing power, and the issuance of the Notes will not obligate the State or any of its political subdivisions to levy or pledge the receipts from any form of taxation for the payment of the Notes.

Purpose

The proceeds of the Series 1 Notes, Series 2 Notes, and Series 3B Notes and the Series 3A Notes, if issued, are expected to be used primarily to finance the Authority's Clean Energy Solutions program, which provides customers with wide-ranging on-site energy solutions including energy data analytics, planning, operations and the development and implementation of capital projects such as energy efficiency, distributed generation, advanced technologies, and renewables. In addition, the proceeds of the Series 1 Notes, Series 2 Notes, and Series 3B Notes and the Series 3A Notes, if issued, may be used for the following purposes: for the refunding of any other Notes of such Series; for the payment of Notes of any other Series at their maturity; for the repayment of any amounts outstanding under the Revolving Credit Agreements; to refund or redeem the EMCP Notes; to pay any costs incurred in connection with the issuance of the Notes; to refund outstanding bonds, notes or other obligations of the Authority (other than bonds, notes or other obligations issued to fund a Separately Financed Project); to pay any capital expenditures, operating expenses or for any other lawful corporate purpose of the Authority, including any purpose set forth in the Expanded Authority; and for any other purposes approved in accordance with the Commercial Paper Resolution. The proceeds of the Series 4 Notes are expected to be exclusively used to finance the Authority's renewable energy projects undertaken pursuant to the Expanded Authority.

Designation of Series 4 Notes as "Green Commercial Paper Notes"

The Series 4 Notes are being designated as "Green Commercial Paper Notes" by the Authority due to the expected environmental benefits of the projects expected to be financed with the proceeds of the Series 4 Notes. The purpose of the "Green Commercial Paper Notes" designation is to inform investors that proceeds of such Series 4 Notes are intended to be used to support environmentally beneficial projects.

In September 2024, the Authority revised its New York Power Authority Green Bond and Green Commercial Paper Notes Framework (the "Framework") under which the Authority may issue green bonds and green commercial paper notes to finance or refinance projects to refurbish, upgrade, and modernize renewable energy generation and transmission, energy efficiency and green building projects in the State,

along with other environmentally beneficial projects as described therein. Sustainalytics, a leading provider of environmental, social and governance ("ESG") research and analytics that supports investors with development and implementation of responsible investment strategies, furnished a Second Party Opinion, dated September 6, 2024, providing that the Framework aligns with the four core components of the Green Bond Principles 2021, published June 2021 by the International Capital Market Association (the "GBP"). The cornerstone of green bonds and green commercial paper is the utilization of proceeds for projects that are within one of the broad categories of potentially eligible green projects. In accordance with the GBP, the Authority has committed to complying with the four core components to qualify the Series 4 Notes as Green Commercial Paper Notes. The GBP specifies that green bond and green commercial paper note issuers should provide information regarding (i) the use of proceeds, (ii) the process for project evaluation and selection, (iii) the management of proceeds, and (iv) the reporting of allocation and impact in order to ensure that these commitments are aligned with the ones described in the Framework.

Sustainalytics has reviewed and verified in a pre-issuance letter dated September 18, 2025, that the projects expected to be funded with the proceeds of the Series 4 Notes are aligned with the Framework, as the Authority anticipates the proceeds of the Series 4 Notes will be applied exclusively for a project and activity that promote climate or other environmentally sustainable purposes in alignment with the GBP.

The Framework is available at https://www.nypa.gov/-/media/nypa/documents/document-library/financials/nypa-green-bond-framework.pdf?la=en0 and the Second Party Opinion is available at the following address: https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/new-york-power-authority/new-york-power-authority-green-bond-and-green-commercial-paper-notes-framework-second-party-opinion-(2024)/new-york-power-authority-green-bond-and-green-commercial-paper-notes-framework-second-party-opinion-(2024). *Neither the information on the Authority's website nor the information on the Sustainalytics website is incorporated into this Offering Memorandum.*

The terms "Green Bonds" and "Green Commercial Paper Notes" are not defined in nor related to the General Bond Resolution or the Commercial Paper Resolution. The use of the terms in this Offering Memorandum are solely for identification purposes and is not intended to provide or imply that any owner of any Series 4 Notes is entitled to any security other than as provided in the General Bond Resolution, the Commercial Paper Resolution, or qualify for other environmental attributes associated therewith. The Authority does not make any representation as to the sustainability of the Series 4 Notes to fulfill such environmental and ability criteria. The Series 4 Notes may not be a suitable investment for investors seeking exposure to green or sustainable assets. There is currently no market consensus on what precise attributes are required for a particular project to be defined as "green" or "sustainable" and therefore no assurance can be provided to investors that the projects financed with proceeds of the Series 4 Notes will continue to meet investor expectations regarding sustainability performance.

Description of the Notes

The Notes are issuable only in book-entry-only form, in denominations of $100,000 and integral multiples of $1,000 in excess thereof (see the section herein entitled *"Book-Entry-Only System"* and APPENDIX C attached hereto). Each Note will mature no later than 270 days from the dates of issue, but not later than two business days prior to the termination date of the applicable Revolving Credit Agreement or any other revolving credit agreement providing liquidity support for such Note (see the section herein entitled "Liquidity Support"). The Series 1 Notes, the Series 2 Notes and the Series 4 Notes shall bear interest from their respective dates payable at maturity, calculated on the basis of a 365- or 366-day year for the actual days elapsed. The Series 3B Notes may be issued and sold at a discount or at par. Interest, if any, payable on the Series 3B Notes shall accrue from their respective dates, payable at maturity and calculated on the basis of a 360-day year.

The Notes shall be payable at maturity at the office of the Issuing and Paying Agent for the Notes. The Bank of New York Mellon is the Issuing and Paying Agent for the Notes under the Issuing and Paying Agency Agreement.

Book-Entry Only System

The Notes will be issued as registered Notes and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), Brooklyn, New York, which will act as securities depository for the Notes. Individual purchases will be made in book-entry only form, in the principal amount of $100,000 or integral multiples of $1,000 in excess thereof. Purchasers will not receive certificates representing their interest in the Notes purchased. So long as DTC is the registered owner of the Notes, payments of the principal of, and interest on, the Notes will be made directly to DTC. Disbursement of such payments to DTC participants and indirect participants is the responsibility of DTC, and disbursement of such payments to the beneficial owners is the responsibility of direct and indirect participants. Purchasers are directed to DTC and its participants for a description of DTC's practices and procedures. The DTC rules applicable to its participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

DTC may discontinue providing its services as securities depository with respect to the Notes at any time by giving reasonable notice to the Authority or the Issuing and Paying Agent. Under such circumstances and in the event that a successor securities depository is not obtained, Note certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered.

NEITHER THE AUTHORITY, THE ISSUING AND PAYING AGENT, NOR ANY DEALER OF THE NOTES WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) SENDING TRANSACTION STATEMENTS; (II) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (III) THE PAYMENT OR TIMELINESS OF PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR INTEREST ON, THE NOTES; (IV) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO NOTE HOLDERS; OR (V) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS NOTE HOLDER.

LIQUIDITY SUPPORT

The Authority has covenanted to have available borrowing capacity under its Revolving Credit Agreements, or any substitute revolving credit agreements, in an amount not less than the aggregate principal amount of all outstanding Commercial Paper Notes. The Authority's existing revolving credit agreements, consisting of the 2019 Revolving Credit Agreement (defined below) and the 2020 Revolving Credit Agreement (defined below), have been filed on EMMA and are incorporated by specific cross-reference herein.

All Series 1 Notes, Series 2 Notes, and Series 3A Notes, if any, will be supported by available borrowing capacity under the 2019 Revolving Credit Agreement. The Series 3B Notes and Series 4 Notes will be supported by available borrowing capacity under the 2020 Revolving Credit Agreement.

The Commercial Paper Resolution permits the Authority to substitute a revolving credit agreement with another comparable agreement or agreements with any other bank or banks provided that the senior

securities of such bank, or securities secured by such bank's letters of credit, are assigned at least an "A" or comparable rating by a nationally recognized rating service which is then rating the Notes. Any such substituted revolving credit agreement may have covenants, events of default, conditions to borrowing, and other provisions different from those referred to above. The Authority has agreed to provide notice to the holders of affected Notes of any change in the provider of liquidity support for such Notes, which notice is required to be given, to the extent practicable, not less than 30 days prior to the change.

2019 Revolving Credit Agreement

The following is a brief description of the 2019 Revolving Credit Agreement. The complete document is included by specific cross-reference herein and has been filed on EMMA.

The Authority is party to a revolving credit agreement relating to the Series 1 Notes, the Series 2 Notes, and the Series 3A Notes effective January 16, 2019 (as amended, the "2019 Revolving Credit Agreement") with JP Morgan Chase Bank, National Association ("JPMorgan Chase"), as Administrative Agent, and the following banks (collectively, the "Banks") (with their approximate commitments shown): JPMorgan Chase ($250,000,000); T.D. Bank, N.A. ($125,000,000); Wells Fargo Bank, National Association ($175,000,000); and Bank of America, N.A. ($150,000,000). Each Bank is obligated on a several and not joint basis to fund only its respective percentage of any loan. Under the terms of the 2019 Revolving Credit Agreement, the Authority is able to borrow up to $700,000,000 in aggregate principal amount outstanding at any time for the repayment of the Series 1 Notes, the Series 2 Notes, and the Series 3A Notes. The 2019 Revolving Credit Agreement is effective through June 23, 2028.

In the case of certain types of events of default (each a "Terminating Event of Default") by the Authority under the terms of the 2019 Revolving Credit Agreement, the Banks will, by written notice to the Authority, be able to immediately terminate their commitments to make loans, and the liquidity support for the Notes outstanding provided by the 2019 Revolving Credit Agreement will terminate and will no longer be available for the payment of the Series 1 Notes, the Series 2 Notes, and the Series 3A Notes.

In the case of other types of events of default (each a "Non-Terminating Events of Default") under the 2019 Revolving Credit Agreement, the Banks will be able to declare the obligation of each such bank to be terminated 30 days after written notice to the Authority from the Administrative Agent under the 2019 Revolving Credit Agreement, provided that the obligations of the Banks to make loans for the purpose of paying the Series 1 Notes, the Series 2 Notes, and the Series 3A Notes outstanding on the date of such written notice would remain in effect to the extent and so long as necessary for the payment of the Series 1 Notes, the Series 2 Notes, and the Series 3A Notes at their maturity dates.

In addition, the Banks will, immediately in the case of a Terminating Event of Default and after 30 days' written notice in the case of a Non-Terminating Event of Default, be able to declare the principal of and interest on all loans issued under the 2019 Revolving Credit Agreement to be immediately due and payable. Further, the obligation of the Banks to make loans under the 2019 Revolving Credit Agreement is subject to the conditions precedent that the Administrative Agent has received a notice of borrowing as provided in the 2019 Revolving Credit Agreement; that after making any such loan, the aggregate outstanding principal amount of loans shall not exceed the aggregate amount of the Banks' commitments under the 2019 Revolving Credit Agreement; and that no Terminating Event of Default has occurred and is continuing. The Authority is able to terminate or reduce the commitments under the 2019 Revolving Credit Agreement upon five business days' notice.

2020 Revolving Credit Agreement

The following is a brief description of the 2020 Revolving Credit Agreement. The complete document is included by specific cross-reference herein and has been filed on EMMA.

The Authority entered into a revolving credit agreement relating to the Series 3B Notes and the Series 4 Notes effective April 22, 2020 (as amended, the "2020 Revolving Credit Agreement" and together with the 2019 Revolving Credit Agreement, the "Revolving Credit Agreements") and a Note Purchase Agreement (the "Note Purchase Agreement"), each between the Authority and JP Morgan Chase, as Administrative Agent and sole lender thereunder (collectively the "Hybrid Credit Agreement"). Under the terms of the 2020 Revolving Credit Agreement, the Authority is able to borrow up to $250,000,000 in the aggregate principal amount outstanding at any time for repayment of the Series 3B Notes and the Series 4 Notes. Further, under the Note Purchase Agreement, the Authority may issue Direct Purchase Notes to the lender thereunder or request the issuance of letters of credit, subject to a sublimit of up to $150,000,000 for the purpose of the payment of any capital expenditures, operating expenses or any other lawful corporate purpose of the Authority. The Authority is obligated to reimburse the Bank for any amounts drawn on such letters of credit. The aggregate outstanding principal amount of loans or letters of credit under the 2020 Revolving Credit Agreement and the 2020 Note Purchase Agreement shall not exceed the aggregate amount of the lender's commitments under the 2020 Revolving Credit Agreement, which is $250,000,000 as of the date hereof. The 2020 Revolving Credit Agreement is effective through June 23, 2028.

In the case of a Terminating Event of Default by the Authority under the terms of the 2020 Revolving Credit Agreement, the Bank will, by written notice to the Authority, be able to immediately terminate their commitments to make loans, and the liquidity support for the Series 3B Notes and the Series 4 Notes outstanding provided by the 2020 Revolving Credit Agreement will terminate and will no longer be available for the payment of the Series 3B Notes and the Series 4 Notes.

In the case of a Non-Terminating Events of Default under the 2020 Revolving Credit Agreement, the Bank will be able to declare its obligation to be terminated 30 days after written notice to the Authority, provided that the obligations of the Bank to make loans for the purpose of paying Series 3B Notes and the Series 4 Notes outstanding on the date of such written notice would remain in effect to the extent and so long as necessary for the payment of the Notes at their maturity dates.

In addition, the lender will, immediately in the case of a Terminating Event of Default and after 30 days' written notice in the case of a Non-Terminating Event of Default, be able to declare the principal of and interest on all loans issued under the 2020 Revolving Credit Agreement to be immediately due and payable. Further, the obligation of the lender to make loans under the 2020 Revolving Credit Agreement is subject to the conditions precedent that the lender has received a notice of borrowing as provided in the 2020 Revolving Credit Agreement; that after making any such loan, the aggregate outstanding principal amount of loans under the 2020 Revolving Credit Agreement and the 2020 Note Purchase Agreement shall not exceed the aggregate amount of the lender's commitments under the 2020 Revolving Credit Agreement; and that no Terminating Event of Default has occurred and is continuing. The Authority is able to terminate or reduce the commitments under the 2020 Revolving Credit Agreement upon five business days' notice.

THE DEALERS

Barclays Capital Inc., Morgan Stanley, RBC Capital Markets Corporation, BofA Securities Inc., and TD Securities (USA) LLC have each been appointed to serve as a Dealer for the Series 1 Notes.

J.P. Morgan Securities Inc., Goldman Sachs & Co., BofA Securities Inc., and TD Securities (USA) LLC have each been appointed to serve as a Dealer for the Series 2 Notes.

Barclays Capital Inc., J.P. Morgan Securities Inc., Goldman Sachs & Co., and TD Securities (USA) LLC have each been appointed to serve as a Dealer for the Series 3A Notes and the Series 3B Notes.

J.P. Morgan Securities Inc., BofA Securities Inc., and TD Securities (USA) LLC have each been appointed to serve as a Dealer for the Series 4 Notes.

Certain of the Dealers described above may have entered into distribution agreements with other broker-dealers for the distribution of the Notes at the initial public offering prices. Such agreements generally provide that the relevant Dealer will share a portion of its underwriting compensation or selling concession with such broker-dealers.

SOURCES OF PAYMENT AND SECURITY FOR THE NOTES

Subordination of the Notes

The General Bond Resolution authorizes the issuance of Obligations for any purpose authorized by the Act or other State statutory provision then applicable. All Obligations are payable from Revenues and secured by a pledge of the Trust Estate, subject to no prior pledge or lien. The Commercial Paper Notes have a lien on the Trust Estate junior and inferior to the lien of the Obligations and Parity Debt and on a parity with the lien of Subordinated Contract Obligations and other Subordinated Indebtedness.

Revenues

Revenues consist of all revenues, rates, fees, charges, rents, proceeds from the sale of Authority assets, insurance proceeds, and other income and receipts, as derived in cash by or for the account of the Authority directly or indirectly from any of the Authority's operations, including but not limited to the ownership or operation of any Project heretofore or hereafter authorized by the Act or by other applicable State statutory provisions, but not including any such income or receipts attributable directly or indirectly to the ownership or operation of any project financed or from other available funds made available by the Authority upon the conditions set forth in the General Bond Resolution (a "Separately Financed Project") and not including any federal or State grant moneys, the receipt of which is conditioned upon their expenditure for a particular purpose.

Trust Estate

The Trust Estate consists of, collectively, (i) all Revenues; (ii) the proceeds of sale of Obligations until expended for the purposes authorized by the Supplemental Resolution authorizing such Obligations; (iii) all funds, accounts and subaccounts established by the General Bond Resolution, including investment earnings thereon; and (iv) all funds, moneys and securities and any and all other rights and interests in property, whether tangible or intangible, from time to time conveyed, mortgaged, pledged, assigned or transferred as and for additional security for Obligations by the Authority, or by anyone on its behalf, or with its written consent, to the Trustee. The Trust Estate does not include any real property, structures, facilities, or equipment owned by the Authority. The Trust Estate also does not include the assets and income of the Captive or the trusts established by the Authority to fund its other post-employment benefits obligations and certain decommissioning costs relating to the two nuclear plants the Authority sold in 2000. While the Trust Estate does not include revenues or other income attributable to Separately Financed Projects, including SFP Transmission Projects, or to NYREDHC or to any other subsidiaries that may be established under the Expanded Authority, monies received with respect to such Separately Financed Projects or subsidiaries may, subject to certain conditions precedent and determined by the Authority to be available for any lawful corporate purpose, be transferred and deposited to the Operating Fund established

under the General Bond Resolution and, once deposited, become part of the Trust Estate. For additional information relating to the foregoing, see the 2024 Financial Statements.

Application of Revenues

The General Bond Resolution requires that all Revenues, and such portion of the proceeds of any Obligations issued to pay Operating Expenses, be deposited into the Operating Fund. Amounts in the Operating Fund are to be paid out, accumulated or withdrawn from time to time for the following purposes and, as of any time, in the following order of priority:

(1) payment of reasonable and necessary Operating Expenses or accumulation in the Operating Fund as a reserve (i) for working capital, (ii) for such Operating Expenses the payment of which is not immediately required, including, but not limited to amounts determined by the Authority to be required as an operating reserve, or (iii) deemed necessary or desirable by the Authority to comply with orders or other rulings of an agency or regulatory body having lawful jurisdiction;

(2) payment of, or accumulation in the Operating Fund as a reserve for the payment of, interest on and the principal or Redemption Price of Obligations, and payments due under any Parity Debt, on a parity basis, on their respective due dates or redemption dates, as the case may be;

(3) payment of principal of and interest on any Subordinated Indebtedness, which includes the Notes, or payment of amounts due under any Subordinated Contract Obligation;

(4) withdrawal and deposit in the Capital Fund; and

(5) withdrawal for any lawful corporate purpose as determined by the Authority, including but not limited to the purchase or redemption of Obligations or Subordinated Indebtedness, including the Commercial Paper Notes, provided that, prior to any such withdrawal, the Authority shall have determined, taking into account, among other considerations, anticipated future receipts of Revenues or other moneys constituting part of the Trust Estate, that the funds to be so withdrawn are not needed for any of the purposes set forth in clauses (1), (2) or (3) above.

Any transfer of funds from the Operating Fund to pay Canal Corporation expenditures that are not Operating Expenses or Capital Costs would be subject to compliance with the provisions of clause (5) above.

Since 1998, the Authority has maintained an operating reserve, established at $175,000,000 by the Board of Trustees, including 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. While the Authority intends to maintain the $175,000,000 operating reserve, the maintenance and size of the operating reserve is at the discretion of the Board of Trustees and may at any time be modified or eliminated at the discretion of the Board of Trustees.

In 2011, the Authority adopted a policy that prior to the pay-out or withdrawal of any funds from the Trust Estate, in addition to any determinations required under the General Bond Resolution, the Board of Trustees shall use a debt-service coverage ratio of 2.0 as a reference point in considering any such pay-out or withdrawal.

Rate Covenant

The Authority has covenanted in the General Bond Resolution that it shall at all times maintain rates, fees or charges, and any contracts entered into by the Authority for the sale, transmission or distribution of power shall contain rates, fees or charges, sufficient, together with other moneys available therefor (including the anticipated receipt of proceeds of sale of Obligations or other bonds, notes or other obligations or evidence of indebtedness of the Authority that will be used to pay the principal of Obligations issued in anticipation of such receipt, but not including any anticipated or actual proceeds from the sale of any Project),

(i) to pay all Operating Expenses of the Authority,

(ii) to pay the debt service on all Obligations, then outstanding and the debt service on all Subordinated Indebtedness, including the Notes, then outstanding, and all Parity Debt and Subordinated Contract Obligations, all as the same respectively become due and payable, and

(iii) to maintain any reserve established by the Authority pursuant to the General Bond Resolution, in such amount as may be determined from time to time by the Authority in its judgment.

The Authority is a party to various power sales agreements, which impose limitations on the Authority's discretion to establish rate increases. The rates for firm power and associated energy from the St. Lawrence-FDR and Niagara hydroelectric facilities sold by the Authority have been established for certain customers in the context of an agreement settling litigation. The rates for power generated and transmission service provided by the Authority are subject neither to the provisions of the New York Public Service Law nor to regulation by the New York Public Service Commission ("PSC"). Regarding transmission service, the Authority's rates arise under its formula rate incorporated into the NYISO Open Access Transmission Tariff, which are subject to FERC regulation to ensure that such transmission rates are just and reasonable.

The Authority, being engaged in the wholesale transmission, sale and purchase of electricity, is a "Market Participant" in the New York Independent System Operator ("NYISO") markets. The NYISO collects charges associated with the use of transmission facilities for wholesale transactions, including the Authority's transmission facilities, and remits the proceeds of such charges to the transmission owners in accordance with its tariff. Similarly, the NYISO collects charges associated with the sale of energy, capacity and ancillary services in the NYISO markets and remits the proceeds of such charges to the sellers of the electricity in accordance with their respective bids and applicable NYISO market procedures.

Covenants Regarding Projects

The General Bond Resolution also requires the Authority to operate or cause to be operated each Project in a sound and economical manner and to maintain, preserve and keep the same or cause the same to be maintained, preserved and kept in good repair, working order and condition, and from time to time to make all necessary and proper repairs, replacements and renewals so that at all times the operations thereof may be properly and advantageously conducted. The General Bond Resolution permits the Authority to cease operating or maintaining, and to lease or dispose of, any Projects (other than the Niagara and St. Lawrence-FDR Projects) if, in the judgment of the Authority, it is advisable to lease, dispose of, or not to operate and maintain the same and the operation thereof is not essential to the maintenance and continued operation of the rest of the Authority's Projects.

Additional Debt Issuance

As described above, the General Bond Resolution permits the Authority to issue additional senior Obligations for any purpose authorized by the Act or other applicable State statutory provision, without restriction as to amount and without having to satisfy any debt service coverage or historical or projected earnings test. In addition, the Authority may, at any time, or from time to time, incur Subordinated Indebtedness, including the Notes, or enter into Subordinated Contract Obligations payable from Revenues and secured by a pledge of the Trust Estate, and such pledge shall be subordinate in all respects to the pledge created by the General Bond Resolution as security for payment of Obligations.

The Authority may also incur senior Parity Debt payable and secured on a parity with Obligations. Currently, there is no Parity Debt outstanding. Parity Debt may also be incurred in connection with, among other things, Credit Facilities, Qualified Swaps and certain take-or-pay fuel or power contracts. In connection with future or outstanding debt, the Authority may enter into interest rate swap agreements, either of the fixed-to-floating rate or floating-to-fixed rate variety, which may also include forward swaps. The regularly scheduled payments under any such swap agreements could be either on a parity with Obligations, or subordinate to Obligations, as determined by the Authority. The payments relating to any termination or other fees, expenses, indemnification or other obligations to the counterparties under such swap agreements would be subordinate to Obligations. For a discussion of energy swap agreements entered into by the Authority, see the 2024 Financial Statements, "Note 10 – Risk Management of Commodity Hedging Activities."

For a summary of certain provisions of the General Bond Resolution and the Commercial Paper Resolution, see the complete documents, each of which has been filed with EMMA and is included herein by specific cross-reference.

THE AUTHORITY

Trustees

The governing board of the Authority 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. The members of the Board of Trustees also serve as board members of the Canal Corporation. A member whose term has expired continues to serve on a holdover basis until confirmed for an additional term or a new Trustee is appointed by the Governor. As of the date hereof, the current Trustees are:

Trustees	**Term Expires**
John R. Koelmel, Chair	May 6, 2021*
Dennis G. Trainor	May 6, 2022*
Bethaida González	May 6, 2024*
Michael J. Cusick	May 6, 2025*
Hon. Cecily L. Morris	June 22, 2027
Lewis M. Warren, Jr.	May 6, 2028
Laurie Wheelock	June 22, 2028

* Continuing to serve on a holdover basis until confirmed for an additional term or a new Trustee is appointed and confirmed.

Senior Management

The senior management staff of the Authority includes the following:

Justin E. Driscoll, President & Chief Executive Officer;
Joseph Kessler, Executive Vice President & Chief Operating Officer;
Lori Alesio, Executive Vice President & General Counsel;
Adam Barsky, Executive Vice President & Chief Financial Officer;
Daniella Piper, Executive Vice President & Chief Innovation Officer;
Robert Piascik, Senior Vice President & Chief Information and Technology Officer;
Karina Saslow, Senior Vice President - Human Resources;
Alexis Harley, Senior Vice President & Chief Risk and Resiliency Officer; and
Charles Imohiosen, Senior Vice President Communications & External Affairs.

The officers of the Authority also serve as officers of the Canal Corporation.

Executive Management Committee

The Authority's Executive Management Committee periodically reviews corporate strategies, policies and programs, and reports, with the Chairman's concurrence, to the Board of Trustees. Currently, the Executive Management Committee includes the President and Chief Executive Officer, the Executive Vice President and Chief Operating Officer, the Executive Vice President and Chief Financial Officer, the Executive Vice President and General Counsel, and certain other members of the senior management staff of the Authority designated by the President and Chief Executive Officer.

Authority and Canal Corporation Risk Management and Insurance Program

The Authority maintains an enterprise-wide risk management program, including an Authority-wide Risk Management Policy that covers the governance and management process of relevant risks that impact strategic and/or corporate goals. The Board of Trustees has authorized an Executive Risk and Resiliency Management Committee ("ERRMC") comprised of top leadership responsible for the establishment and oversight of risk management processes throughout the organization.

The Authority is ISO 55001 certified and was the first to receive such certification in North America. The standard provides organizations a structure to manage their assets systematically and sustainably. Effective asset management as prescribed by ISO 55001 helps organizations control the lifecycle of assets to balance the performance, risk, and expenditure related to assets in order to meet organizational goals. Risk management personnel sit on the Asset Management Board to have visibility into the Authority's asset risk profile and provide insights to aid in informed risk decision making.

The Authority has established an Investment Committee to review and prioritize investment opportunities on both an individual and portfolio level in order to promote and ensure the most efficient allocation and deployment of financial resources. Through this process, opportunities are collectively viewed through a strategic alignment, risk mitigation, and financial benefits lens.

The Authority faces commodity market volatility exposure and attempts to reduce this exposure through the execution of an ERRMC-approved commodities hedging program. Deployment of this program transfers parts of this exposure to operational and counterparty credit risks. The counterparty credit risk is managed by the Authority's Credit Risk Management Team, who performs credit reviews of counterparties in support of trading activities, monitoring for credit exposure and managing collateral requirements to protect the Authority's counterparty financial exposure positions. This includes a commodity risk

management analytics system solution using integrated platforms to monitor market exposures and the volumetric hedging program.

The Board of Trustees has established a Risk and Resiliency Subcommittee dedicated to the discussion of risk matters, which is led and facilitated by the Chief Risk and Resiliency Officer. This subcommittee's focus includes a broad range of risks, including cybersecurity, and the Authority has a dedicated Chief Information Security Officer and cyber team focused on existing and emerging cybersecurity issues.

The Authority has a risk governance, risk escalation and continuous improvement model that has been externally validated as having an advanced risk management maturity level that is part of everyday operations, enhancing resilience, ensuring response readiness with actionable security standards and training.

Insurance Program

The Authority maintains a comprehensive property/casualty insurance program designed to protect against catastrophic losses that would have an adverse effect on its financial position or operational capabilities and transfer specific risks to insurance carriers who are better suited to accept such risks on their balance sheets. Based on underwriting information and actuarial analysis, insurance carriers issue policies of insurance that cover the Authority's risks subject to specified terms and conditions. The insurance program is reviewed and modified when construction, operational exposures, or developments in the insurance industry require.

The Authority purchases insurance coverage for its operations and in certain instances is self-insured. The Authority maintains comprehensive property insurance that protects the various real and personal property owned by the Authority and the property of others while in the care, custody and control of the Authority for which the Authority may be held liable. Liability insurance protects the Authority from third-party liability related to its operations, including general liability, automobile, aircraft, marine and its officers and directors. Cyber liability insurance protects the Authority against first- and third-party losses. The Authority pursues subrogation claims as appropriate against any entities that cause damage to its property.

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 $5,000,000 per occurrence. On June 15, 2024, the Captive underwrote a general liability deductible reimbursement line in the amount of $5,000,000 per occurrence with a $200,000 deductible.

The Captive filed the 2023 audited financial statements with the New York State Department of Financial Services on June 28, 2024, as required by Section 7006 of the State Insurance Law and plans to file its 2024 financial statements in 2025.

On January 1, 2025, the Captive underwrote a Canal Corporation property deductible reimbursement line in the amount of $20 million per occurrence with a $200,000 deductible.

Other Self-Insured and Uninsured Risks

The Authority self-insures certain programs such as workers' compensation and its employee benefits programs (health, dental, vision, etc.). However, the Authority maintains a stop loss policy on individual claims and insures most of its retiree health care with a Medicare Advantage policy. Likewise, the Authority maintains a workers' compensation excess policy for any claims which are in excess of $500,000. The Authority also retains certain commercially uninsurable risks, including reputational, regulatory, hydro flow and transmission line risks.

RECENT DEVELOPMENTS IMPACTING THE AUTHORITY

Since the release of the 2024 Financial Statements, the following updates have occurred.

Certain New Legislation Affecting the Authority – New York State Budget and Other Matters

New York State Budget Appropriations

The 2025-2026 Enacted State Budget provides for the appropriation to the Authority of $2,500,000 "for the maintenance, construction, reconstruction, development or promotion of the New York State Canal System…including the payment of liabilities prior to April 1, 2025" and $50,000,000 for "services, expenses, and indirect costs related to maintenance, repair, construction, reconstruction, development and preservation of the New York state canal system."

Additionally, the 2025-2026 Enacted State Budget provides the Authority with the reappropriation of (i) unused funds from the 2024-2025 Enacted State Budget appropriation of $52,500,000 for Canal Corporation projects; (ii) $368,000 remaining of the 2023-2025 Enacted State Budget appropriation for Canal Corporation projects; (iii) $8,599,000 from a 2017 appropriation to the Empire State Trail, including along the Erie Canal; and (iv) $1,500,000 from a 2024 appropriation for watershed modeling of the Oswego River Basin and the Mohawk River Basin to be performed by the Canal Corporation.

The 2025-2026 Enacted State Budget contains a Sustainable Future Program to be funded at $1 billion for all State departments and agencies. It provides for "not less than $200,000,000 for renewable energy projects, including" renewable energy generating projects undertaken pursuant to the Expanded Authority. The Sustainable Future Program also appropriates "not less than $200,000,000 for thermal energy network projects, including projects at public and state owned buildings, including the state university of New York and the city university of New York"; "not less than $250,000,000 for zero emission transportation"; and "not less than $50,000,000 for electric vehicle fast charging stations and supporting infrastructure for municipal, commercial, medium duty, heavy duty, and fleet vehicles" which may provide sources of funding for Authority programs or Authority services to other public entities.

Authority Contributions to the State

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 General Bond Resolution are as follows: (1) such withdrawal must be for a lawful corporate purpose as determined by the Authority, and (2) the Authority must determine taking into account, among other considerations, anticipated future receipt of Revenues or other moneys constituting part of the Trust Estate, that the funds to be so withdrawn are not needed for (a) payment of reasonable and necessary operating expenses; (b) an Operating Fund reserve for working capital, emergency repairs or replacements,

major renewals, or for retirement from service, decommissioning or disposal of facilities; (c) payment of, or accumulation of a reserve for payment of, interest and principal on senior debt; or (d) payment of interest and principal on subordinate debt.

In 2011, the Board of 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 General Bond Resolution. The Policy Statement may at any time be modified or eliminated at the discretion of the Board of Trustees.

Chapter 56 of the Laws of 2024, part of the 2024-2025 Enacted State Budget, provided that notwithstanding any provision of law to the contrary, as deemed feasible and advisable by the Board of 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. On March 25, 2025, the Board of Trustees authorized the transfer of $5 million to the State Treasury.

Chapter 56 of the Laws of 2025, part of the 2025-2026 Enacted State Budget, provides that notwithstanding any provision of law to the contrary, as deemed feasible and advisable by the Board of Trustees, the Authority 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, to support energy related State activities.

Chapter 56 of the Laws of 2025, part of the 2025-2026 Enacted State Budget, also provides that notwithstanding any provision of law to the contrary, as deemed feasible and advisable by the Board of 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, 2025. These amounts will be utilized to support programs established or implemented by the Authority or within the New York State Department of Labor or the Authority, including but not limited to the Office of Just Energy Transition, pursuant to a memorandum of understanding entered into between the Authority and the Department of Labor, to provide programs for workforce training and retraining to prepare workers for employment for work in the renewable energy field.

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

Capital Assets

The Authority has acquired a 15.7-acre parcel of land in Astoria, Queens, for $207 million. The acquisition aims to support the future transmission needs of the Authority and potentially other related needs consistent with the Authority's clean energy goals.

Power Purchase Agreements ("PPAs")

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

the Authority. Under the Power Supply Contract, NYEFDC will sell and deliver to the Authority and the Authority will purchase, specified quantities of market-based energy, less a specified discount. The initial energy delivery period (during which the Authority is committed to purchase approximately 860,048 MWh of electricity each year) will begin in January 2026 and will end in October 2033. This agreement does not qualify as a lease and the agreement does not have minimum payment terms. The Authority will only pay for energy when delivered and the Power Supply Contract represents an offset to the Authority's existing market-based power purchases.

St. Lawrence-FDR Project Relicensing

In March 2019, the Board of Trustees approved a seven-year extension of an agreement for the sale of firm hydroelectric power and energy from the St. Lawrence-FDR Power Project to the Aluminum Company of America ("Alcoa") at its West Plant facilities. The existing contract with Alcoa 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 off the price of aluminum on the London Metal Exchange and the Midwest U.S. Premium price published by Platts, and contains provisions for employment (450 jobs) and capital commitments ($14 million).

The current contract provides for: an allocation of 240 MW, with an 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 and Renewable Energy Credits, which are attributable to Alcoa's load. The contract specifies a sharing mechanism for the CES charges between Alcoa, New York State and the Authority, whereby Alcoa's share increases as the aluminum price increases. The Authority has entered into aluminum contracts to mitigate potential downside risk in that market and intends to continue to do so based upon prevailing economic conditions as appropriate.

In July 2025, the Board of Trustees approved an extension of Alcoa's 240 MW Preservation Power allocation. In addition, staff was authorized to schedule and hold a public hearing on the contract. On September 23, 2025, the Board of Trustees approved the final contract and the contract was transmitted to the Governor and approved in October 2025. The term of the new agreement will be ten years from April 1, 2026 – March 31, 2036. Additionally, there will be two potential five-year extensions if Alcoa meets certain capital investment thresholds. The new agreement contains provisions for employment (increasing from 450 to 500 jobs) and capital investments ($30 million minimum). If Alcoa invests $70 million from 2025 – 2035, they will have the option to extend the contract for an additional five years. If Alcoa invests at least $130 million from 2025 – 2040, then Alcoa will be provided with the option of extending the contract for the second five-year term. If the contract is extended for the full 20-year term, the total capital investment commitment would be $145 million.

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

The Authority estimates that the total costs associated with the relicensing of the St. Lawrence-FDR Power Project in 2003 for a period of 50 years will be an approximate total of $234 million, of which approximately $223 million has already been disbursed. The Authority, as a result of a settlement term with the local communities, has entered into an additional settlement addressing unanticipated issues at the time of the original agreement. This review occurs every 10 years. The first 10-year review added approximately

$45.1 million to settlement, of which $42.2 million has been disbursed, the second 10-Year Review was approved by the Board of Trustees in March 2025 and added an additional $20 million. The Authority collects the amounts necessary to fund such relicensing costs through its rates from the sale of St. Lawrence-FDR power.

Other Developments

Workplace of the Future

In December 2024, the Authority's Trustees approved a $280 million project to develop a new 300,000+ square foot office building at Hamilton Green Property in White Plains, NY, replacing the outdated 123 Main Street facility. The building will be LEED Gold certified, entirely electric, Well Health Certified, and feature modern workstations, collaborative spaces, Geothermal systems, and dynamic electrochromic glass. The project is expected to be completed by the end of 2027. As of June 30, 2025, the Authority has spent $119 million on the new office building.

Clean Path Transmission Project

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

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

Propel New York Energy Project

The One Big Beautiful Bill Act, enacted in July 2025, rescinded all unobligated balances of several programs that had been funded under the Inflation Reduction Act of 2022 ("IRA"), including the Transmission Siting and Economic Development Grant Program under which the Authority had been awarded a $44 million grant by the U.S. Department of Energy to conduct community benefit projects for communities impacted by the Propel New York Energy Project. The Authority has not expended any funds in anticipation of receiving these funds.

Inflation Reduction Act

On August 16, 2022, the IRA was signed into law; it 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 its 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. The federal Internal Revenue Service 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 2023 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. The Authority has completed prefiling registration for the eligible projects that were placed in service in 2024 and expects to file its 2024 tax return in November 2025.

FEMA Reimbursement for COVID

The Authority spent $33 million on pandemic-related expenses as of December 31, 2022. These expenses included critical employee sequestration, sanitization and cleaning supplies, facility protective measures, and equipment for a remote workforce. The Authority submitted $20 million in reimbursable costs to FEMA of $33 million. As of June 30, 2025, the Authority received $5 million, with an additional estimated $4 million to be received later in 2025. $11 million of the $20 million reimbursable cost related to sheltering Authority employees in place was deemed ineligible for reimbursement by FEMA. An appeal to that decision was unsuccessful.

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, 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 for use on the reservation. The legislation required to effectuate the settlement was never enacted and the litigation continued.

In 2013, all claims against the Authority were dismissed and the lawsuit against the Authority was concluded. A Notice of Appeal was filed but the appeal was stayed and never perfected. On May 28, 2014, the State, the St. Regis Mohawk Tribe, St. Lawrence County, and the Authority executed a Memorandum of Understanding (the "St. Regis MOU") that outlined a framework for the possible settlement of all the St. Regis land claims. In the St. Regis MOU, the Authority endorses a negotiated settlement that, among other terms and conditions, would require the Authority to pay the St. Regis Mohawk Tribe $2 million a year for 35 years and provide up to 9 MW of its hydropower at preference power rates to serve the needs of the Tribe's Reservation.

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

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

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 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 oral argument was held on May 29, 2025 and parties are waiting for the Court to issue its decision.

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.

Potential Additional Initiatives

In addition to the above, the Authority is embarking on several other initiatives and has several other potential initiatives in varying stages of review and/or development which could involve significant additional capital commitments and/or operating expenses. The construction costs of any other future facilities or any other improvements to existing facilities may be financed with the proceeds of additional Obligations or additional Subordinated Indebtedness, each as defined in the General Bond Resolution, or other debt issued by the Authority or through the use of existing construction funds or internal sources.

Certain Factors Affecting the Electric Utility Industry and the Authority

Regulation Generally

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, Federal Energy Regulatory Commission, Environmental Protection Agency, the U.S. Army Corps of Engineers, New York State Department of Environmental Conservation, the New York State Comptroller, the New York State Inspector General, and the New York State Authorities Budget Office 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 Inflation Reduction Act, subjecting the Authority to escalating costs, causing delays, or prohibiting certain activities completely.

The PSC is the principal agency in the State regulating the generation, transmission and sale of electric power and energy. It has no jurisdiction over rates for power generated or transmitted by the Authority but does regulate the rates of the State's investor-owned utilities and certain municipal systems to which the Authority sells power. The PSC is empowered by the Public Service Law to issue Certificates of Environmental Compatibility and Public Need prior to the construction of power transmission lines of certain capacities and lengths.

Environmental Regulation

Electric utilities such as the Authority are subject to continuing environmental regulation affecting construction and operation of new facilities, upgrades to existing facilities and retirement or restrictions on operations. Federal, state and local laws, regulations, standards, and procedures which regulate the environmental impact of electric utilities are subject to change. These changes may arise from continuing legislative, regulatory and judicial action regarding such standards and procedures. Consequently, there is no assurance that the Authority's facilities will remain subject to the regulations currently in effect, will always be in compliance with regulations, or will always be able to obtain all required operating permits. Changes in these requirements or the inability to comply with existing environmental standards could result in substantial additional capital expenditures to achieve or maintain compliance, or could result in reduced operating levels or the complete shutdown of individual electric generating units, which could have an adverse impact on Authority revenues.

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

Other Factors

The Authority in general has been, and in the future may be, affected by a number of other factors which could impact the financial condition and competitiveness of many electric utilities, including the Authority, and the level of utilization of their generating and transmission facilities, as well as Canal Corporation operations.

Industry Transformation

Transformative technologies are creating uncertainty for the electric utility industry and the Authority. These technologies may produce new business opportunities, reduce/increase demand for electric energy, or influence wholesale power prices impacting the competitive position of the Authority's generating assets. While the Authority regularly evaluates its mission, objectives, and customer needs, the impact on the Authority's operations of any such industry transformation is not presently predictable or quantifiable.

Workforce Challenges

Like many other industries, the power and utility sector is facing increased competition for, and a general shortage of, talent in high skilled areas. This trend is expected to continue and be further impacted by transformations in the industry as new technologies are being developed and deployed. The ability of the Authority to meet stated objectives is dependent upon the ability to attract and retain the necessary skills and competencies in its workforce, among other factors.

Fraud and Insider Threat

The Authority is exposed to the risk of non-malicious or malicious activities perpetrated by personnel who have or had authorized access to the Authority's facilities, information, or systems. These acts, if perpetrated, could lead to potential service disruption impacting the financial results of the organization. The Authority deploys a pre-employment screening process, multiple associated mandatory trainings, physical, and cyber security measures to reduce the likelihood of occurrence.

Physical and Cyber Security

The federal government recognizes the electric utility industry as critical infrastructure for the United States and works closely with the industry to ensure awareness of ongoing threats and that appropriate protections are in place against both physical and cyber-attacks (as part of our compliance with the North American Electric Reliability Corporation ("NERC") Critical Infrastructure Protection ("CIP") standards). With approximately 1,550 circuit-miles of high voltage transmission lines and power generation facilities across the State, the Authority will need to make significant investments to harden both physical and cyber assets and their related infrastructure. In the event of a cyber-attack that the Authority is unable to defend against or mitigate, the Authority may experience information system outages, data theft, discontinuity of services, damage to facilities or equipment, substantial loss of revenues or other financial impacts and may face increased regulation, litigation and damage to the Authority's reputation.

In addition, the NYISO uses information technology systems to interact with the Authority and other market participants, administer its markets and operate the transmission system, as well as for other business purposes. While the NYISO has a comprehensive program based on current industry standards and mandatory NERC guidelines to address physical and cybersecurity risks, the systems of the NYISO may be vulnerable to cyber-attacks, computer viruses, natural disasters, unauthorized access and other incidents which could disrupt the NYISO's ability to operate and collect charges.

The Authority conducts a NIST Cyber Security Framework assessment with a third-party on an annual basis. In addition, the New York Power Authority/Canal Corporation received an advanced average BitSight rating of 760 equating to strong security performance and lower risk for 2024. Finally, the Authority won first place in "The Grid Netwars Red Team/Blue Team" challenge organized by the U.S. Department of Energy Office of Cybersecurity, Energy Security, and Emergency Response in 2024.

The Authority maintains a Cyber Resilience Insurance Policy with an aggregate limit of $70 million. Additionally, through the Captive, the Authority also maintains a TRIA Certified NBCR (Nuclear,

Biological, Chemical, Radiological & Cyberterrorism) Terrorism policy with an aggregate limit of $500 million, which policy has a federal backstop.

Catastrophic Natural Events

A catastrophic natural event such as severe weather, flooding or earthquake can negatively affect the operability of Authority assets, including consideration of data related to climate change, and the bulk electric system. While the Authority regularly evaluates the resiliency of its assets, including consideration of data related to climate change, and has implemented disaster planning and recovery programs, weather and natural events directly influence the demand for electricity and can substantially and negatively affect the Authority's operations.

An outbreak of disease or similar public health threat, such as the COVID-19 pandemic, or fear of such an event, could have an adverse impact on the Authority's transmission operations. In addition, as a transmission business, the Authority is exposed to potential critical infrastructure failure that may lead to service disruption, injury and degradation of system reliability.

Critical Infrastructure Failure

As a generation and transmission business and operator of the Canal Corporation, the Authority is exposed to potential critical infrastructure failure that may lead to service disruption, injury and degradation of system reliability and ultimately impact financial results.

Health and Safety Risks

As a generation and transmission business and operator of the Canal Corporation, the Authority is exposed to a variety of health and safety risks. The health and safety of the Authority's workforce, contractors, customers and the public may be impacted by these risks.

Hydrological Conditions

The Authority's net income is highly dependent on generation levels at its Niagara and St. Lawrence-FDR Projects. The Authority's generation levels at its Niagara and St. Lawrence-FDR Projects are a function of the hydrological conditions prevailing on the Great Lakes, primarily, Lake Erie (Niagara Project) and Lake Ontario (St. Lawrence-FDR Project). Hydrological conditions can vary considerably from year to year. Climate change and other factors may have impacts on hydrological conditions over the long-term. Uncertain availability and shifts in the supply of water as fuel may significantly impact the Authority.

Electric Price and Fuel Risk

Through its participation in the NYISO and other commodity markets, the Authority is subject to electric energy price, fuel price, metal commodities price, and electric capacity price risks that impact the revenue and purchased power streams of its facilities and customer market areas. Such volatility can potentially have detrimental effects on the Authority's financial condition. To moderate cost impacts to its customers and itself, the Authority, at times, hedges market risks through financial instruments and physical contracts.

Electric and Magnetic Fields

Electric and magnetic fields ("EMF") exist wherever electricity flows, around high voltage transmission and distribution equipment ("power frequency EMF"), as well as near electrical appliances, computers, and other electrical devices. Epidemiological studies, clinical studies and laboratory experiments have shown that EMF can cause changes in living cells, but there is little evidence that these changes represent any risk to human health. Claims for damages against electric utilities for injuries alleged to have been caused by power frequency EMF have increased electric utilities' attention to this issue. At this time, it is not possible to predict the extent of the costs and other impacts, if any, which power frequency EMF may have on the Authority and other electric utilities.

Supply Chain and Third-Party Risks

The Authority is reliant on many third parties throughout all of operations. The utility industry is susceptible to supply chain disruptions such as limited product availability, long lead times, and increasing material costs. Supply chain and third-party events not related to the Authority or our employees may lead to economic loss, safety, environmental and compliance issues or damage to Authority assets or reputation, compromise information systems and/or cause noncompletion of service contracts. To proactively manage these challenges, the Authority has implemented a robust third party and supply chain risk management program inclusive of supplier vetting, ongoing supplier monitoring, alternative supplier identification, and asset reserves planning.

Other Factors

In addition to the factors affecting the electric utility industry and the Authority discussed above, such factors include, among others: (a) effects of compliance with rapidly changing environmental (including climate change), safety, licensing, regulatory and legislative requirements other than those described above, (b) effects of competition from other electric utilities (including increased competition resulting from mergers, acquisitions, and "strategic alliances" of competing electric and natural gas utilities and from competitors transmitting less expensive electricity from much greater distances over an interconnected system) and new methods of, and new facilities for, producing low-cost electricity, (c) the role of independent power producers and marketers, brokers and federal power marketing agencies in power markets, (d) effects of inflation on the operating and maintenance costs of an electric utility and its facilities, (e) changes from projected future load requirements, (f) increases in costs and uncertain availability of capital, (g) shifts in the availability and relative costs of different fuels (including the cost of natural gas), (h) sudden and dramatic increases in the price of energy purchased on the open market that may occur in times of high peak demand in an area of the country experiencing such high peak demand, and (i) legislative changes, voter initiatives, referenda and statewide propositions. Any one or more of these factors (as well as other factors) could have an adverse effect on the assets, operations and financial condition of the Authority to an extent that cannot be determined at this time.

Effects on the Authority

Currently, the Authority is a provider of low-cost power and energy in the State. However, the Authority cannot predict what effect any of the foregoing factors will have on the business operations and financial condition of the Authority, but the effect could be significant. The Authority can give no assurance that it will not lose customers in the future as a result of the restructuring of the State electric utility industry, regulatory changes that impact wholesale market prices and the emergence of new technologies, competitors or increased competition from existing competitors. In addition, the Authority's ability to market power and energy on a competitive basis is limited by provisions of the Act, restrictions under State and federal law as to the sale and pricing of a large portion of the output from the Niagara Project and St. Lawrence-FDR Project, and restrictions on marketing arising from applicable laws and regulations.

The foregoing is a brief discussion of certain factors affecting the electric utility industry and the Authority. This discussion does not purport to be comprehensive or definitive, and these matters are subject to change subsequent to the date hereof. Extensive information on the electric utility industry is and will be available from legislative and regulatory bodies and other sources in the public domain, and potential purchasers of the Notes should obtain and review such information.

Capital Assets, Long-Term Debt Activity and the Financial Plan

The Authority's approved 2025-2028 Financial Plan demonstrated that it will expend approximately $5.3 billion ($3.9 billion for various capital improvements, which includes $699 million for renewables development, and $316 million to Revitalize the Canals with a primary focus on maintaining and improving Canal infrastructure) over the four year period. The Authority plans to facilitate the $699 million of renewables development investment through its wholly-owned subsidiary, NYREDHC, and expects to provide $300 million in equity as a source of capital. It is expected that the remaining sources of capital will be from direct pay tax credits, NYREDHC operating cash flow, and project financings. For the remaining capital plan, 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 fixed rate debt.

The Authority's capital plan also includes expenditures of approximately $1.4 billion in financing for Energy Efficiency Services projects with a primary objective of helping the State to reduce its energy consumption and cut energy costs. The Energy Efficiency Services projects are 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 Board of Trustees.

The capital plan is currently under review by the Authority, and any changes will be reflected in the 2026 Budget and 2026-2029 Financial Plan, which the Authority expects to release in December 2025.

LEGALITY FOR INVESTMENT

The Act provides that the Notes will be legal investments under present provisions of State law for public officers and bodies of the State and municipalities and municipal subdivisions, insurance companies and associations and other persons carrying on an insurance business, banks, bankers and trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies, and other persons carrying on a banking business, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds of the State; but the Notes will not be eligible for the investment of funds, including capital, of trusts, estates or guardianships under the control of individual administrators, guardians, executors, trustees and other individual fiduciaries, except when such individual fiduciary is acting with a corporate co-fiduciary. Under the Act, the Notes will be eligible for deposit with all public officers and bodies of the State for any purpose for which the deposit of the State's obligations is or may be authorized.

TAX MATTERS

Tax-Exempt Series 1 Notes

Opinions of Nixon Peabody LLP

Nixon Peabody LLP ("Nixon"), Bond Counsel to the Authority, rendered its opinion on June 11, 2024 that, under existing law and assuming continuing compliance with certain tax covenants described in such opinion, and the accuracy of certain representations and certifications made by the Authority, (i) interest on the Series 1 Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series 1 Notes is not treated as a preference item in calculating the alternative minimum tax under the Code. In rendering its opinion, Nixon relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority and others in connection with the Series 1 Notes, and Nixon assumed compliance by the Authority and others with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 1 Notes from gross income under Section 103 of the Code.

In addition, in the June 11, 2024 opinion of Nixon, under existing statutes, interest on the Series 1 Notes is exempt from personal income taxes imposed by the State or any subdivision thereof, including The City of New York.

Nixon expressed no opinion regarding any other federal, State or local tax consequences arising with respect to the Series 1 Notes, or the ownership or disposition thereof, except as stated above. Nixon rendered its opinion under existing statutes as of the date of such opinion, and assumes no obligation to update, revise or supplement its opinion to reflect any facts or circumstances that may thereafter come to its attention, any change in law or in interpretation thereof that may thereafter occur, or for any other reason whatsoever.

A copy of the opinion of Nixon relating to federal and State tax matters is attached to the Offering Memorandum as Appendix B.

Ancillary Tax Matters

Ownership of the Series 1 Notes may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 1 Notes. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series 1 Notes is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 1 Notes may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 1 Notes, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 1 Notes for federal or state income tax purposes, and thus on the value or marketability of the Series 1 Notes. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series 1 Notes from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Series 1 Notes may occur. Prospective purchasers of the Series 1 Notes should consult their own tax advisors regarding the impact of any change in law on the Series 1 Notes.

Nixon has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 1 Notes may affect the tax status of interest on the Series 1 Notes. Nixon expresses no opinion as to any federal, state or local tax law consequences with respect to the Series 1 Notes, or the interest thereon, if any action is taken with respect to the Series 1 Notes or the proceeds thereof upon the advice or approval of other counsel.

Tax-Exempt Series 2 Notes

Opinions of Hawkins Delafield & Wood LLP

Hawkins Delafield & Wood LLP ("Hawkins"), Bond Counsel to the Authority, rendered its opinion on October 20, 2021 that, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 2 Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2 Notes is not treated as a preference item in calculating the alternative minimum tax under the Code. In rendering its opinion, Hawkins relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority and others in connection with the Series 2 Notes, and Hawkins assumed compliance by the Authority and others with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2 Notes from gross income under Section 103 of the Code.

In addition, in the opinion of Hawkins, under existing statutes, interest on the Series 2 Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

Hawkins expressed no opinion regarding any other federal, State or local tax consequences arising with respect to the Series 2 Notes, or the ownership or disposition thereof, except as stated above. Hawkins rendered its opinion under existing statutes and court decisions as of the date of such opinion, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any facts or circumstances that may thereafter come to its attention, any change in law or in interpretation thereof that may thereafter occur, or for any other reason. Hawkins expressed no opinion as to the consequences to any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Hawkins expressed no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, State or local tax matters, including without limitation, exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Notes.

A copy of the opinion of Hawkins relating to federal and State tax matters is attached to the Offering Memorandum as Appendix A.

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series 2 Notes in order for interest on the Series 2 Notes to be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2 Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Series 2 Notes to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Authority has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Series 2 Notes from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2 Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Series 2 Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2 Notes.

Prospective owners of the Series 2 Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations, the interest on which is excluded from gross income for federal income tax purposes. Interest on the Series 2 Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Series 2 Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2 Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2 Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or State level, may adversely affect the tax-exempt status of interest on the Series 2 Notes under federal or State law or otherwise prevent beneficial owners of the Series 2 Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Series 2 Notes.

Prospective purchasers of the Series 2 Notes should consult their own tax advisors regarding the foregoing matters.

Tax-Exempt Series 4 Notes

Federal Income Taxes

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 4 Notes for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 4 Notes to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 4 Notes. Pursuant to the Commercial Paper Resolution and the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 of the Authority relating to the Series 4 Notes (the "Tax Certificate"), the Authority has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 4 Notes from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority has made certain representations and certifications in the Commercial Paper Resolution and the Tax Certificate. Bond Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the Authority described above, interest on the Series 4 Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code. Nixon is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Interest on the Series 4 Notes will be taken into account in computing the alternative minimum tax imposed on certain corporations under the Code to the extent that such interest is included in the "adjusted financial statement income" of such corporations.

State Taxes

Nixon is also of the opinion that under existing statutes, interest on Series 4 Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York. Nixon expresses no opinion as to other State or local tax consequences arising with respect to the Series 4 Notes nor as to the taxability of the Series 4 Notes or the income therefrom under the laws of any state other than the State.

Original Issue Discount

Nixon is further of the opinion that the excess of the principal amount of a maturity of the Series 4 Notes over its issue price (i.e., the first price at which price a substantial amount of such maturity of the Series 4 Notes was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a "Discount Note" and collectively the

"Discount Notes") constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 4 Notes. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Note and the basis of each Discount Note acquired at such issue price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Notes, even though there will not be a corresponding cash payment. Owners of the Discount Notes are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Notes.

Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated as (i) qualified stated interest or (ii) part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount. The Series 4 Notes will be issued as short-term debt obligations. Until the Internal Revenue Service provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Series 4 Notes if the taxpayer elects original issue discount treatment.

Original Issue Premium

Notes sold at prices in excess of their principal amounts are "Premium Notes". An initial purchaser with an initial adjusted basis in a Premium Note in excess of its principal amount will have amortizable bond premium which offsets the amount of tax-exempt interest and is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Note based on the purchaser's yield to maturity (or, in the case of Premium Notes callable prior to their maturity, over the period to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Note, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser's adjusted basis in such Premium Note annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Notes. Owners of the Premium Notes are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Notes.

Ancillary Tax Matters

Ownership of the Series 4 Notes may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 4 Notes. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series 4 Notes is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 4 Notes may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Nixon is not rendering any opinion as to any federal tax matters other than those described in the opinions attached as Appendix B. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 4 Notes, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 4 Notes for federal or state income tax purposes, and thus on the value or marketability of the Series 4 Notes. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series 4 Notes from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Series 4 Notes may occur. Prospective purchasers of the Series 4 Notes should consult their own tax advisors regarding the impact of any change in law on the Series 4 Notes.

Nixon has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 4 Notes may affect the tax status of interest on the Series 4 Notes. Nixon expresses no opinion as to any federal, state or local tax law consequences with respect to the Series 4 Notes, or the interest thereon, if any action is taken with respect to the Series 4 Notes or the proceeds thereof upon the advice or approval of other counsel.

Taxable Notes

The information provided in this section related to the Taxable Notes was provided by Hawkins Delafield & Wood LLP.

Opinions of Hawkins, Delafield & Wood LLP

In the opinion of Hawkins rendered on October 20, 2021, (i) interest on the Taxable Notes is included in gross income for federal income tax purposes and (ii) under existing statutes, interest on the Taxable Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

Certain Federal Income Tax Consequences

The following discussion is a brief summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of Taxable Notes by original purchasers of the Taxable Notes who are "U.S. Holders," as defined herein. This summary (i) is based on the Code, Treasury Regulations, revenue rulings and court decisions, all currently in effect and all subject to change at any time, possibly with retroactive effect (ii) assumes that the Taxable Notes will be held as "capital assets"

and (iii) does not discuss all of the United States federal income tax consequences that may be relevant to a U.S. Holder in light of its particular circumstances or to U.S. Holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Taxable Notes as a position in a "hedge" or a "straddle." U.S. Holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, U.S. Holders who acquire Taxable Notes in the secondary market, or individual estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Certain taxpayers that are required to prepare certified financial statements and file such financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Taxable Notes at the time that such income, gain or loss is taken into account on such financial statements instead of under the rules described below.

U.S. Holders of Taxable Notes should consult with their own tax advisors concerning the United States federal income tax and other consequences with respect to the acquisition, ownership and disposition of the Taxable Notes as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Short Term Taxable Notes

Each U.S. Holder of a Taxable Note with a maturity not longer than one year (a "Short-Term Taxable Note") is subject to rules of Sections 1281 through 1283 of the Code, if such U.S. Holder is an accrual method taxpayer, bank, regulated investment company, common trust fund or among certain types of pass-through entities, or if the Short-Term Taxable Notes is held primarily for sale to customers, is identified under Section 1256(e)(2) of the Code as part of a hedging transaction, or is a stripped bond or coupon held by the person responsible for the underlying stripping transaction. In any such instance, interest on, and "acquisition discount" with respect to, the Short-Term Taxable Note accrue on a ratable (straight-line) basis, subject to an election to accrue such interest and acquisition discount on a constant-interest-rate basis using daily compounding. "Acquisition discount" means the excess of the stated redemption price of a Short-Term Taxable Note at maturity over the U.S. Holder's tax basis therefor.

A U.S. Holder of a Short-Term Taxable Note not described in the preceding paragraph, including a cash-method taxpayer, must report interest income in accordance with the U.S. Holder's regular method of tax accounting, unless such U.S. Holder irrevocably elects to accrue acquisition discount currently.

Disposition and Defeasance

Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Taxable Note, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder's adjusted tax basis in the Taxable Note.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to non-corporate U.S. Holders with respect to payments of principal, payments of interest and the proceeds of the sale of a Taxable Note before maturity within the United States. Backup withholding may apply to U.S. Holders of Taxable Notes under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder, and which constitutes over withholding, would be allowed as a refund or a credit against such U.S. Holder's United States federal income tax provided the required information is furnished to the Internal Revenue Service.

U.S. Holders

The term "U.S. Holder" means a beneficial owner of a Taxable Note that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Taxable Notes under State law and could affect the market price or marketability of the Taxable Notes. Prospective purchasers of the Taxable Notes should consult their own tax advisors regarding the foregoing matters.

RATINGS

Each rating below reflects only the view of the rating agency issuing such rating and is not a recommendation by such rating agency to purchase, sell or hold the obligations rated or as to the market price or suitability of such obligations for a particular investor. There is no assurance that any rating will continue for any period of time or that it will not be revised or withdrawn. A revision or withdrawal of a rating may have an adverse effect on the market price of an obligation. Any desired explanation of the significance of the ratings below and any outlooks or other statements given by the rating agencies with respect thereto should be obtained from the rating agency furnishing the same, at the following addresses: Fitch Ratings, 300 W. 57th Street, New York, New York 10019 ("Fitch"); Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007 ("Moody's"); and S&P Global Ratings, 55 Water Street, New York, New York 10041 ("S&P"). Generally, a rating agency bases its ratings and outlook (if any) on the information and materials furnished to it and on investigations, studies and assumptions of its own.

	Moody's	S&P	Fitch
Revenue Bonds (Underlying Ratings)	"Aa1"	"AA"	"AA"
Commercial Paper Notes	"P-1"	"A-1+"	"F1+"
Extendible Municipal Commercial Paper Notes	"P-1"	"A-1+"	"F1+"

ADDITIONAL INFORMATION

The references herein to the Commercial Paper Resolution, the General Bond Resolution and the Revolving Credit Agreements are brief outlines of certain provisions thereof. Such outlines do not purport to be complete, and reference is made to such documents for full and complete statements of such

documents. Copies of such documents are on file at the Trustee. Copies of certain of such documents may also be obtained from EMMA.

[Remainder of page intentionally left blank]

APPENDIX A – FORM OF OPINION OF HAWKINS, DELAFIELD & WOOD LLP RELATING TO THE SERIES 2 AND SERIES 3B NOTES DELIVERED ON OCTOBER 20, 2021

THE BELOW OPINION IS NOT BEING REISSUED AND SPEAKS ONLY AS OF ITS DATE. HAWKINS DELAFIELD & WOOD LLP HAS NOT BEEN REQUESTED TO AND HAS NOT REVIEWED ANY MATTERS RELATING TO THE EXCLUSION FROM GROSS INCOME OF INTEREST ON THE NOTES BEING ISSUED IN CONNECTION WITH THE PUBLICATION OF THIS OFFERING MEMORANDUM.

October 20, 2021

Power Authority of the State of New York
123 Main Street
White Plains, New York 10601

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance from time to time of Commercial Paper Notes, Series 1 (the "Series 1 Notes"), the outstanding principal amount of which may not exceed $200,000,000 at any time, Commercial Paper Notes, Series 2 (the "Series 2 Notes"), the outstanding principal amount of which may not exceed $300,000,000 at any time, Commercial Paper Notes, Series 3A (the "Series 3A Notes"), the outstanding principal amount of which may not exceed $200,000,000 at any time, and Commercial Paper Notes, Series 3B (the "Series 3B Notes") the outstanding principal amount of which may not exceed $250,000,000 at any time. of Power Authority of the State of New York (the "Authority"), a body corporate and politic, a political subdivision and a corporate municipal instrumentality of the State of New York. (The Series 1 Notes, the Series 2 Notes, the Series 3A Notes and the Series 3B Notes are collectively referred to herein as the "Notes".)

The Notes are issued under and pursuant to the Constitution and statutes of the State, including the Power Authority Act, being 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 (the "Act"), and under and pursuant to proceedings of the Authority duly taken, including a resolution of the Authority entitled "Second Amended and Restated Resolution Authorizing Commercial Paper Notes", adopted March 30, 2021, as subsequently amended and supplemented (the "Second Amended and Restated Resolution") and the Amended and Restated Certificate of Determination dated October 19, 2021, delivered pursuant thereto, as amended and supplemented (the "Certificate of Determination" and, together with the Second Amended and Restated Resolution, the "Commercial Paper Resolution"). Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Commercial Paper Resolution and, if not defined therein, in the General Resolution Authorizing Revenue Obligations, adopted by the Authority on February 4, 1998 (the "General Resolution").

We are of the opinion that:

1. The Authority is duly created and validly existing under the provisions of the Act.

2. The Authority has the right and power under the Act to adopt the Commercial Paper Resolution, and the Commercial Paper Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms, and no other authorization for the Commercial Paper Resolution is required.

3. The Notes have been duly and validly authorized and issued in accordance with law and in accordance with the Commercial Paper Resolution, and are valid and binding obligations of the Authority, enforceable in accordance with their terms and the terms of the Commercial Paper Resolution, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws heretofore or hereafter enacted affecting creditors' rights, and are subject to the application of principles of equity relating to or affecting the enforcement of contractual obligations, whether such enforcement is considered in a proceeding in equity or at law. The Notes are Subordinated Indebtedness within the meaning of the General Resolution and are payable from the Trust Estate, provided that such payments are subject and subordinate to the payments to be made with respect to the Obligations and Parity Debt, as provided for in the General Resolution. The Notes do not constitute obligations, debts or liabilities of the State of New York, and the Authority has no power of taxation or power to pledge the credit of the State of New York.

4. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 1 Notes and the Series 2 Notes (collectively, the "Tax-Exempt Notes") is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Tax-Exempt Notes is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. In rendering the opinions in this paragraph 4, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority in connection with the Tax-Exempt Notes, and we have assumed compliance by the Authority with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Tax-Exempt Notes from gross income under Section 103 of the Code. Under existing statutes, interest on the Series 3A Notes and the Series 3B Notes is included in gross income for federal income tax purposes.

5. Under existing statutes, interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Except as stated in paragraphs 4 and 5, we express no opinion regarding any Federal or state tax consequences with respect to the Notes. This opinion is issued under existing statutes and court decisions as of the date hereof, and we assume no obligation to update this opinion after the date hereof to reflect any future action, fact or circumstance or change in law or interpretation, or otherwise. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Tax-Exempt Notes, or under state and local tax law.

The Authority has executed and delivered Arbitrage and Use of Proceeds Certificates (the "Arbitrage and Use of Proceeds Certificates") relating to the outstanding Series 1 Notes and the outstanding Series 2 Notes and will either abide by the terms of such certificates or will execute and deliver new Arbitrage and Use of Proceeds Certificates in connection with additional issuances of Series 1 Notes and Series 2 Notes. Such Arbitrage and Use of Proceeds Certificates do or will relate to, among other things, the expected use of the proceeds of the Series 1 Notes and the Series 2 Notes, respectively, and other matters affecting the exclusion of interest on the Series 1 Notes and the Series 2 Notes from gross income for Federal income tax purposes. The Commercial Paper Resolution permits proceeds of the Series 1 Notes and the Series 2 Notes to be used for any lawful purpose, including purposes different from those described in the related Arbitrage and Use of Proceeds Certificates. No opinion is expressed herein as to the exclusion

from gross income for Federal income tax purposes of interest on Series 1 Notes or Series 2 Notes issued for purposes other than those described in the related Arbitrage and Use of Proceeds Certificates.

You may continue to rely upon this opinion to the extent (i) we have not advised you that this opinion may no longer be relied upon, (ii) there is no change in pertinent existing law or regulations or in interpretations thereof including, without limitation, in the case of the Tax-Exempt Notes, regulations, rulings and interpretations of the Internal Revenue Service, subsequent to the date of issuance of this opinion, (iii) the representations, covenants, conditions and agreements contained in the Commercial Paper Resolution, and in certificates executed and delivered by authorized officers of the Authority (and supplements and additions thereto satisfactory to us), including but not limited to the Arbitrage and Use of Proceeds Certificates mentioned above, remain true and accurate and are complied with, and (iv) no litigation is pending affecting the issuance, legality or validity of any Notes or the exclusion of interest on the Tax-Exempt Notes from gross income for Federal income tax purposes.

This opinion is issued as of the date hereof, and we assume no obligation to (i) update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any other reason whatsoever, (ii) notify you or any other person prior to the delivery of the Notes if the conditions stated in the preceding paragraph have not been met or (iii) review any legal matters incident to the authorization, issuance, validity and tax exemption of the Notes, or the purposes to which the proceeds thereof are to be applied, after the date hereof.

In rendering the foregoing opinions we have made a review of such legal proceedings as we have deemed necessary to approve the legality and validity of the Notes. In rendering the foregoing opinions we have not been requested to examine any document or financial or other information concerning the Authority or the programs to be financed with the Notes other than the record of proceedings referred to above, and we express no opinion as to the accuracy, adequacy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Notes.

Very truly yours,

APPENDIX B – FORM OF OPINION OF NIXON PEABODY LLP RELATING TO THESERIES 1 NOTES DELIVERED ON JUNE 11, 2024

SET FORTH BELOW IS THE FORM OF OPINION OF NIXON PEABODY LLP DELIVERED ON JUNE 11, 2024 IN CONNECTION WITH THE ISSUANCE OF THE SERIES 1 NOTES ON THAT DATE. THE BELOW OPINION IS NOT BEING REISSUED AND SPEAKS ONLY AS OF ITS DATE.

June 11, 2024

Power Authority of the State of New York
123 Main Street
White Plains, New York 10601

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance from time to time of Commercial Paper Notes, Series 1 (the "Series 1 Notes"), the outstanding principal amount of which may not exceed $450,000,000 at any time, of the Power Authority of the State of New York (the "Authority"), a body corporate and politic, a political subdivision and a corporate municipal instrumentality of the State of New York.

The Series 1 Notes are issued under and pursuant to the Constitution and statutes of the State, including the Power Authority Act, being 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 (the "Act"), and under and pursuant to proceedings of the Authority duly taken, including a resolution of the Authority entitled "Second Amended and Restated Resolution Authorizing Commercial Paper Notes", adopted March 30, 2021, as subsequently amended and supplemented (the "Second Amended and Restated Resolution"), the Fourth Amended and Restated Certificate of Determination dated February 14, 2024, delivered pursuant thereto, as amended and supplemented (the "Certificate of Determination" and, together with the Second Amended and Restated Resolution, the "Commercial Paper Resolution"). Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Commercial Paper Resolution and, if not defined therein, in the General Resolution Authorizing Revenue Obligations, adopted by the Authority on February 4, 1998 (the "General Resolution").

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 1 Notes for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 1 Notes to be included in gross income for Federal income tax purposes retroactive to the date of issue of the Series 1 Notes. Pursuant to the Commercial Paper Resolution and the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 (the "Tax Certificate"), the Authority has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 1 Notes from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority has made certain representations and certifications in the Commercial Paper Resolution and the Tax Certificate. We have not independently verified the accuracy of those representations and certifications.

Based upon and subject to the foregoing, and in reliance thereon, and subject to the limitations set forth below, we are of the opinion that:

1. The Authority is duly created and validly existing under the provisions of the Act.

2. The Authority has the right and power under the Act to adopt the Commercial Paper Resolution, and the Commercial Paper Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms, and no other authorization for the Commercial Paper Resolution is required.

3. The Series 1 Notes have been duly and validly authorized and issued in accordance with law and in accordance with the Commercial Paper Resolution, and are valid and binding obligations of the Authority, enforceable in accordance with their terms and the terms of the Commercial Paper Resolution, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws heretofore or hereafter enacted affecting creditors' rights, and are subject to the application of principles of equity relating to or affecting the enforcement of contractual obligations, whether such enforcement is considered in a proceeding in equity or at law. The Series 1 Notes are Subordinated Indebtedness within the meaning of the General Resolution and are payable from the Trust Estate, provided that such payments are subject and subordinate to the payments to be made with respect to the Obligations and Parity Debt, as provided for in the General Resolution. The Series 1 Notes do not constitute obligations, debts or liabilities of the State of New York, and the Authority has no power of taxation or power to pledge the credit of the State of New York.

4. Under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Authority and described above, interest on the Series 1 Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Interest on the Series 1 Notes will be taken into account in computing the alternative minimum tax imposed on certain corporations under the Code to the extent that such interest is included in the "adjusted financial statement income" of such corporations.

5. The excess of the principal amount of a maturity of the Series 1 Notes over its issue price (i.e., the first price at which price a substantial amount of such maturity of the Series 1 Notes was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a "Discount Note" and collectively the "Discount Notes") constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 1 Notes. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Note and the basis of each Discount Note acquired at such issue price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Notes, even though there will not be a corresponding cash payment. Owners of the Discount Notes are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Notes.

6. Under existing statutes, interest on the Series 1 Notes is exempt from personal income taxes imposed by the State of New York or any subdivision thereof (including the City of New York).

Except as stated in paragraphs 4 and 5 above, we express no opinion as to any other federal, state or local tax consequences of the ownership or disposition of, or the accrual or receipt of interest on, the Series1 Notes. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 1 Notes, or the interest thereon, if any action is taken with respect to the Series 1 Notes or the proceeds thereof upon the advice or approval of any other counsel.

We have not undertaken to determine, or to inform any person, whether any actions taken, or not taken, or events occurring, or not occurring, after the date of issuance of the Series 1 Notes may affect the tax status of interest on the Notes. Further, although interest on the Series 1 Notes is not included in gross income for purposes of federal income taxation, receipt or accrual of the interest may otherwise affect the tax liability of a holder of a Series 1 Note depending upon the tax status of such holder and such holder's other items of income and deduction.

In rendering the foregoing opinions we have made a review of such matters of fact and law as we have deemed necessary to approve the legality and validity of the Series 1 Notes. In rendering the foregoing opinions we have not been requested to examine any document or financial or other information concerning the Authority or the State other than the record of proceedings referred to above, and we express no opinion as to the adequacy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Series 1 Notes.

This opinion is rendered solely with regard to the matters expressly opined on above and no other opinions are intended nor should they be inferred. This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any other reason whatsoever.

Very truly yours,

APPENDIX C – FORM OF OPINION OF NIXON PEABODY LLP RELATING TO THE SERIES 4 NOTES DELIVERED ON OCTOBER __, 2025

October __, 2025

Power Authority of the State of New York
123 Main Street
White Plains, New York 10601

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance from time to time of Commercial Paper Notes, Series 4 (Green Commercial Paper Notes) (the "Series 4 Notes"), the outstanding principal amount of which may not exceed $100,000,000 at any time, of the Power Authority of the State of New York (the "Authority"), a body corporate and politic, a political subdivision and a corporate municipal instrumentality of the State of New York.

The Series 4 Notes are issued under and pursuant to the Constitution and statutes of the State, including the Power Authority Act, being 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 (the "Act"), and under and pursuant to proceedings of the Authority duly taken, including a resolution of the Authority entitled "Second Amended and Restated Resolution Authorizing Commercial Paper Notes", adopted March 30, 2021, as subsequently amended and supplemented (the "Second Amended and Restated Resolution"), the Fifth Amended and Restated Certificate of Determination dated August 28, 2025, delivered pursuant thereto, as amended and supplemented (the "Certificate of Determination" and, together with the Second Amended and Restated Resolution, the "Commercial Paper Resolution"). Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Commercial Paper Resolution and, if not defined therein, in the General Resolution Authorizing Revenue Obligations, adopted by the Authority on February 4, 1998 (the "General Resolution").

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 4 Notes for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 4 Notes to be included in gross income for Federal income tax purposes retroactive to the date of issue of the Series 4 Notes. Pursuant to the Commercial Paper Resolution and the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 (the "Tax Certificate"), the Authority has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 4 Notes from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority has made certain representations and certifications in the Commercial Paper Resolution and the Tax Certificate. We have not independently verified the accuracy of those representations and certifications.

Based upon and subject to the foregoing, and in reliance thereon, and subject to the limitations set forth below, we are of the opinion that:

1. The Authority is duly created and validly existing under the provisions of the Act.

2. The Authority has the right and power under the Act to adopt the Commercial Paper Resolution, and the Commercial Paper Resolution has been duly and lawfully adopted by the Authority, is

in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms, and no other authorization for the Commercial Paper Resolution is required.

3. The Series 4 Notes have been duly and validly authorized and issued in accordance with law and in accordance with the Commercial Paper Resolution, and are valid and binding obligations of the Authority, enforceable in accordance with their terms and the terms of the Commercial Paper Resolution, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws heretofore or hereafter enacted affecting creditors' rights, and are subject to the application of principles of equity relating to or affecting the enforcement of contractual obligations, whether such enforcement is considered in a proceeding in equity or at law. The Series 4 Notes are Subordinated Indebtedness within the meaning of the General Resolution and are payable from the Trust Estate, provided that such payments are subject and subordinate to the payments to be made with respect to the Obligations and Parity Debt, as provided for in the General Resolution. The Series 4 Notes do not constitute obligations, debts or liabilities of the State of New York, and the Authority has no power of taxation or power to pledge the credit of the State of New York.

4. Under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Authority and described above, interest on the Series 4 Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Interest on the Series 4 Notes will be taken into account in computing the alternative minimum tax imposed on certain corporations under the Code to the extent that such interest is included in the "adjusted financial statement income" of such corporations.

5. The excess of the principal amount of a maturity of the Series 4 Notes over its issue price (i.e., the first price at which price a substantial amount of such maturity of the Series 4 Notes was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a "Discount Note" and collectively the "Discount Notes") constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 4 Notes. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Note and the basis of each Discount Note acquired at such issue price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Notes, even though there will not be a corresponding cash payment. Owners of the Discount Notes are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Notes.

6. Under existing statutes, interest on the Series 4 Notes is exempt from personal income taxes imposed by the State of New York or any subdivision thereof (including the City of New York).

Except as stated in paragraphs 4 and 5 above, we express no opinion as to any other federal, state or local tax consequences of the ownership or disposition of, or the accrual or receipt of interest on, the Series1 Notes. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 4 Notes, or the interest thereon, if any action is taken with respect to the Series 4 Notes or the proceeds thereof upon the advice or approval of any other counsel.

We have not undertaken to determine, or to inform any person, whether any actions taken, or not taken, or events occurring, or not occurring, after the date of issuance of the Series 4 Notes may affect the tax status of interest on the Series 4 Notes. Further, although interest on the Series 4 Notes is not included

in gross income for purposes of federal income taxation, receipt or accrual of the interest may otherwise affect the tax liability of a holder of a Series 4 Note depending upon the tax status of such holder and such holder's other items of income and deduction.

In rendering the foregoing opinions we have made a review of such matters of fact and law as we have deemed necessary to approve the legality and validity of the Series 4 Notes. In rendering the foregoing opinions we have not been requested to examine any document or financial or other information concerning the Authority or the State other than the record of proceedings referred to above, and we express no opinion as to the adequacy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Series 4 Notes.

This opinion is rendered solely with regard to the matters expressly opined on above and no other opinions are intended nor should they be inferred. This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any other reason whatsoever.

Very truly yours,

APPENDIX D - Book-Entry Only System

The Depository Trust Company ("DTC"), Brooklyn, NY, will as securities depository for the Notes. The Notes will be issued as fully-registered bonds in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered note certificate will be issued for each Series of Notes in the aggregate principal amount of the maturity of such Notes, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct DTC Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's Rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of Notes ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for a Series of the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct DTC Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct or Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial

Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Notes within a maturity of a Series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (or any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an omnibus proxy (the "Omnibus Proxy") to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct DTC Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to a Series of the Notes at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the Notes are required to be printed and delivered.

The Authority and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Notes registered in its name for the purposes of payment of the redemption proceeds and principal and interest on the Notes, giving any notice permitted or required to be given to registered owners under the Commercial Paper Resolution, registering the transfer of the Notes, or other action to be taken by registered owners and for all other purposes whatsoever. The Authority and the Trustee shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Notes under or through DTC or any Participant, or any other person which is not shown on the registration books of the Authority (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal, redemption premium, if any, or interest on the Notes; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by the Authority; or other action taken by DTC as a registered owner.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, the Notes will be printed and delivered to DTC.

Unless otherwise noted, certain of the information contained in the preceding paragraphs of this Appendix B has been extracted from information given by DTC. Neither the Authority, the Trustee nor the

dealers make any representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH PARTICIPANTS, INDIRECT PARTICIPANTS, OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR SUCH PARTICIPANTS, INDIRECT DTC PARTICIPANTS, OR THE BENEFICIAL OWNERS. PAYMENTS MADE TO DTC OR ITS NOMINEE SHALL SATISFY THE AUTHORITY'S OBLIGATION UNDER THE COMMERCIAL PAPER RESOLUTION TO THE EXTENT OF SUCH PAYMENTS.

[Remainder of page intentionally left blank]