

In the opinions of Co-Bond Counsel to the Authority, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Authority described herein, interest on the 2024 A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Co-Bond Counsel are further of the opinions that interest on the 2024 A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York, and the 2024 A Bonds are exempt from all taxation directly imposed thereon by or under the authority of the State of New York, except estate or gift taxes and taxes on transfers. See “TAX MATTERS” herein regarding certain other tax considerations.



\$450,000,000

**POWER AUTHORITY OF THE STATE OF NEW YORK
REVENUE BONDS, SERIES 2024 A (GREEN BONDS)**

Dated: Date of Delivery

Due: As shown on the inside cover

The Power Authority of the State of New York (the “Authority”), a corporate municipal instrumentality and political subdivision of the State of New York (the “State”), is issuing its Revenue Bonds, Series 2024 A (Green Bonds) (the “2024 A Bonds”) under the Authority’s General Resolution Authorizing Revenue Obligations, adopted on February 24, 1998, as amended and supplemented (the “General Bond Resolution”), including as supplemented by the Authority’s Twelfth Supplemental Resolution Authorizing Revenue Bonds, adopted on September 17, 2024 (the “Twelfth Supplemental Resolution”; the General Bond Resolution as supplemented by the Twelfth Supplemental Resolution are herein collectively referred to as the “General Resolution”). The 2024 A Bonds are being issued to finance and reimburse expenditures related to the Authority’s capital projects, including generation, transmission and headquarters improvements, pay capitalized interest and pay the costs of issuance of the 2024 A Bonds. See “PART 1 — PLAN OF FINANCE” herein.

The 2024 A Bonds will be payable solely from and secured by a pledge of the Trust Estate (subject to no prior pledge or lien), after the payment of Operating Expenses, including all revenues derived directly or indirectly from any of the Authority’s operations other than those revenues attributable directly or indirectly to the ownership or operation of any Separately Financed Projects as described herein. The 2024 A Bonds will be payable from the Trust Estate on a parity with other Obligations and Parity Debt of the Authority issued under the General Resolution. See “PART 1 — SECURITY FOR THE 2024 A BONDS”, “PART 2 — SEPARATELY FINANCED PROJECTS” and “PART 2 — CERTAIN FINANCIAL MATTERS — SFP Transmission Projects” herein.

The 2024 A Bonds are being issued as fixed rate Obligations and will bear interest at the rates set forth on the inside cover page hereof.

Principal of the 2024 A Bonds will be payable as provided on the inside cover page of this Official Statement. Interest on the 2024 A Bonds will be payable on May 15, 2025 and semiannually thereafter on each May 15 and November 15. The Authority has designated the 2024 A Bonds as “Green Bonds” due to the environmental benefits of the projects expected to be financed with proceeds of the 2024 A Bonds.

The 2024 A Bonds are subject to optional and mandatory redemption prior to maturity as and to the extent described herein.

The 2024 A Bonds will be issued only as fully registered bonds, 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 2024 A Bonds. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interest in the 2024 A Bonds purchased. So long as DTC or its nominee is the registered owner of the 2024 A Bonds, payments of the principal of, and premium, if any, and interest on the 2024 A Bonds will be made directly to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC, and disbursements of such payments to the beneficial owners is the responsibility of DTC Participants and Indirect Participants. See “PART 1 — APPENDIX B — BOOK-ENTRY-ONLY SYSTEM PROCEDURES” herein. The Bank of New York Mellon is the Trustee under the General Resolution herein described.

The Authority has no taxing power and its obligations are not debts of the State or of any political subdivision of the State, other than the Authority. The 2024 A Bonds are limited obligations of the Authority payable solely from and secured by the Trust Estate (as defined herein) pledged under the General Resolution.

The 2024 A Bonds are offered when, as and if issued and accepted by the Underwriters, and subject to the approval of legality by Nixon Peabody LLP and Hardwick Law Firm LLC, each Co-Bond Counsel to the Authority. Certain legal matters will be passed upon for the Underwriters by their counsel, Katten Muchin Rosenman LLP. It is expected that the 2024 A Bonds in definitive form will be available for delivery to DTC in New York, New York, on or about October 10, 2024.

Goldman Sachs & Co. LLC

BofA Securities

Ramirez & Co., Inc.

Siebert Williams Shank & Co., LLC

Academy Securities

Estrada Hinojosa

FHN Financial Capital Markets

J.P. Morgan

Loop Capital Markets

Piper Sandler & Co.

Wells Fargo Securities

\$450,000,000
Power Authority of the State of New York
Revenue Bonds, Series 2024 A (Green Bonds)

\$382,005,000 Serial Bonds

<u>Maturity</u> <u>November 15</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>(64989K)*</u>
2030	\$30,435,000	5.00%	2.42%	LR5
2031	31,955,000	5.00	2.55	LS3
2032	33,550,000	5.00	2.63	LT1
2033	35,230,000	5.00	2.69	LU8
2034	23,415,000	5.00	2.74	LV6
2035	24,595,000	5.00	2.80 [†]	LW4
2036	25,825,000	5.00	2.88 [†]	LX2
2037	27,115,000	5.00	2.95 [†]	LY0
2038	21,680,000	5.00	2.98 [†]	LZ7
2039	21,970,000	5.00	3.05 [†]	MA1
2040	23,065,000	5.00	3.13 [†]	MB9
2041	24,220,000	5.00	3.23 [†]	MC7
2042	25,435,000	5.00	3.28 [†]	MD5
2043	23,940,000	5.00	3.37 [†]	ME3
2044	9,575,000	5.00	3.47 [†]	MF0

\$27,940,000 4.00% Term Bonds due November 15, 2049, Yield 4.01% CUSIP 64989KMG8*

\$40,055,000 4.00% Term Bonds due November 15, 2054, Yield 4.03% CUSIP 64989KMH6*

* CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the Authority or the Underwriters and are included solely for the convenience of the registered owners of the applicable 2024 A Bonds. Neither the Authority nor the Underwriters (nor their agents or counsel) are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable 2024 A Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2024 A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2024 A Bonds.

† Priced at the stated yield on the first optional redemption date of November 15, 2034 at a redemption price of 100%.

No dealer, broker, salesperson or other person has been authorized by the Authority to give any information or to make any representations, other than as contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2024 A Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

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, but with respect to information provided by such other sources is not to be construed as a representation by the Authority. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof. 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.

The statements contained in this Official Statement that are not purely historical are forward-looking statements. Such forward-looking statements can be identified, in some cases, by terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “illustrate,” “example,” and “continue,” or other comparable terms. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Authority on the date hereof, and the Authority assumes no obligation to update any such forward-looking statements. The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Accordingly, actual business and financial results may vary from the projections, forecasts and estimates contained in this Official Statement and such variations may be material.

The Authority maintains a website and certain social media accounts. The Authority’s websites and social media accounts are not part of this Official Statement and should not be relied upon in making an investment decision with respect to the 2024 A Bonds, and are not part of this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended and in effect on the date hereof (“Rule 15c2-12”). 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 Official Statement for purposes of, and as that term is defined in, Rule 15c2-12.

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 OFFICIAL STATEMENT CONSISTS OF THE COVER PAGE, THE INSIDE COVER PAGE, THE TABLE OF CONTENTS, THE SUMMARY AND THIS PART 1, INCLUDING THE APPENDICES TO THIS PART 1 (ALL OF THE FOREGOING, TOGETHER WITH THE INFORMATION SPECIFICALLY INCORPORATED BY REFERENCE THEREIN, ARE REFERRED TO COLLECTIVELY AS “PART 1”), AND THE ATTACHED PART 2, INCLUDING THE TABLE OF CONTENTS AND ALL APPENDICES THERETO (COLLECTIVELY, “PART 2”). BOTH THIS PART 1 AND PART 2 ARE DATED SEPTEMBER 24, 2024. THIS PART 1, TOGETHER WITH PART 2, CONSTITUTES THE AUTHORITY’S OFFICIAL STATEMENT RELATING TO THE 2024 A BONDS (AND ONLY SUCH BONDS). BOTH PART 1 AND PART 2 MUST BE READ IN THEIR ENTIRETY.

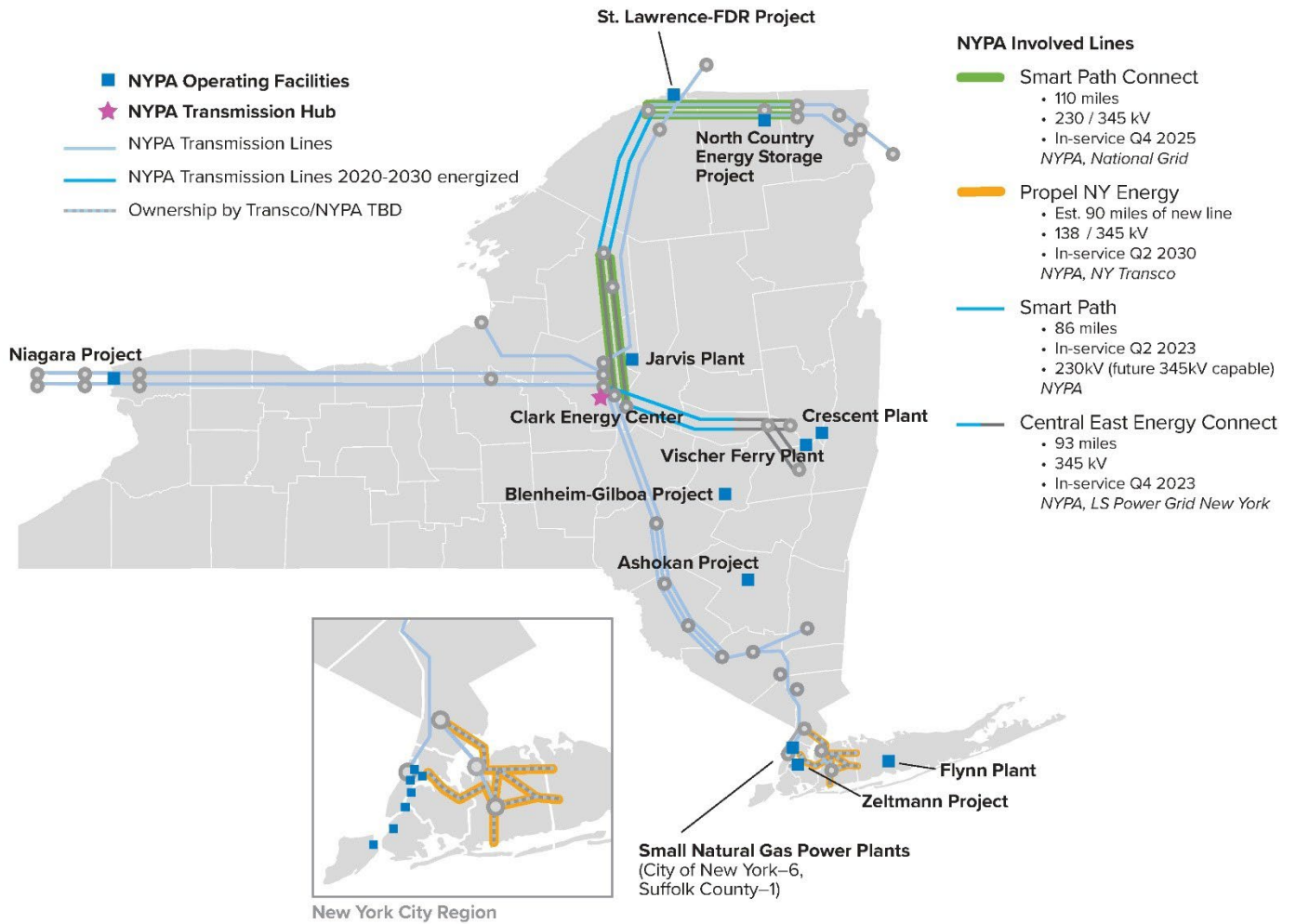
Despite the Second Party Opinion being provided by Sustainalytics, it should be noted that there is currently no clearly defined regulatory definition applicable to “green bonds.” No assurance can be given that

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 2024 A Bonds. Accordingly, no assurance is or can be given to investors that any uses of the proceeds of the 2024 A Bonds 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 2024 A Bond proceeds.

The term “Green Bonds” is neither defined in nor related to the General Resolution, and its use herein is for identification purposes only and is not intended to provide or imply that a holder of the 2024 A Bonds is entitled to any additional security or rights other than as provided in the General Resolution. The Authority has not agreed, and will have no obligation, to provide any reporting specific to the use of proceeds of the 2024 A Bonds.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement 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 Underwriters do not guarantee the accuracy or completeness of such information.

The Authority's Generation and Transmission Assets



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SUMMARY

The following summary does not purport to be complete and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Official Statement and any supplement or amendment hereto. Capitalized terms used in this Summary and not defined herein have the meanings given to such terms elsewhere in this Official Statement.

Issuer..... The Power Authority of the State of New York (the “Authority”) is a corporate municipal instrumentality and political subdivision of the State of New York (the “State”). 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 entities in certain neighboring states. The Authority is a transmission-owning member of the New York Independent System Operator, Inc. (“NYISO”), a not-for-profit corporation that operates the State’s bulk electricity grid, administers the State’s wholesale electricity markets, and provides comprehensive reliability planning for the State’s bulk electricity system. In addition to its role as a transmission owner in the NYISO, the Authority also engages in the sale and purchase of capacity, energy and ancillary services in the NYISO wholesale energy markets.

The Authority owns and/or operates five major generating facilities, seven small natural gas power plants (“SNGPPs”), including four dual units, and four small hydroelectric facilities with a total installed capacity of approximately 6,000 megawatts (“MW”), and approximately 1,550 circuit miles of transmission lines, including major 765 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.

The 2024 A Bonds..... The Revenue Bonds, Series 2024 A (Green Bonds) (the “2024 A Bonds”) are being offered in the principal amount per maturity and bearing the interest rates set forth on the inside cover page of this Official Statement.

The 2024 A Bonds will be issued pursuant to the Authority’s General Resolution Authorizing Revenue Obligations, adopted on February 24, 1998 (the “General Bond Resolution”), as amended and supplemented, including as supplemented by the Twelfth Supplemental Resolution Authorizing Revenue Bonds, adopted on September 17, 2024 (the “Twelfth Supplemental Resolution”; the General Resolution so supplemented, the “General Resolution”).

Denominations.....	The 2024 A Bonds are issuable in the denominations of \$5,000 or any integral multiple thereof.
Interest Payment Dates	May 15, 2025 and semiannually thereafter on each November 15 and May 15.
Redemption.....	Certain of the 2024 A Bonds are subject to optional and mandatory redemption prior to maturity on the dates and at the redemption prices described herein under the caption “PART 1 — THE 2024 A BONDS – Redemption”.
Security for the 2024 A Bonds.....	The 2024 A Bonds will be payable from and secured by a pledge of the Trust Estate (subject to no prior pledge or lien), including all revenues derived directly or indirectly from any of the Authority’s operations other than those revenues attributable directly or indirectly to the ownership or operation of any Separately Financed Projects and not including any federal or State grant moneys the receipt of which is conditioned upon their expenditure for a particular purpose. The General Resolution provides that the amounts in the Operating Fund are to be used to pay debt service on Obligations, including the 2024 A Bonds, and to pay Parity Debt after the payment of Operating Expenses. See “PART 1 — SECURITY FOR THE 2024 A BONDS.”
Rate Covenant.....	<p>The Authority has covenanted in the General Resolution that it shall at all times maintain rates, fees or charges sufficient, together with other moneys available therefor, to pay all Operating Expenses of the Authority and to pay the debt service on all Obligations, including the 2024 A Bonds, and Subordinated Indebtedness, and all Parity Debt and Subordinated Contract Obligations. See “PART 1 — SECURITY FOR THE 2024 A BONDS.”</p> <p>The Authority is a party to various power sales agreements, which impose limitations on the Authority’s discretion to establish rate increases. See “PART 2 — POWER SALES.”</p>
Plan of Finance	The proceeds of the 2024 A Bonds will be used, together with other available funds, to finance and reimburse expenditures related to the Authority’s capital projects, including generation, transmission and headquarters improvements, to pay capitalized interest, and to pay the costs of issuance of the 2024 A Bonds. See “PART 1 — PLAN OF FINANCE.”
2024 A Bonds Designated Green Bonds	The Authority has designated the 2024 A Bonds as “Green Bonds” due to the environmental benefits of the projects to be financed with the proceeds of the 2024 A Bonds. Sustainalytics has reviewed and verified that the use of proceeds, processes for project selection, management of proceeds, and reporting for the 2024 A Bonds are aligned with the Authority’s Green Bond and Green Commercial Paper Notes Framework (as defined herein). See “PART 1 — PLAN OF FINANCE — Designation of 2024 A Bonds as Green Bonds.”
General Resolution Funds.....	<p>Two funds are established under the General Resolution: the Operating Fund and the Capital Fund, both held by the Authority. The Authority may also establish additional funds and accounts.</p> <p>The Authority is required to pay into the Operating Fund all Revenues as and when received. Certain amounts received by the Authority</p>

from the NYISO that constitute Revenues pledged under the General Resolution are deposited into a depository trust allocation account (the "Allocation Account") established pursuant to a depository trust agreement (the "Depository Trust Agreement"), by and between the Authority and The Bank of New York Mellon (in such capacity, the "Depository Agent") prior to being deposited into the Operating Fund. Amounts held in the Allocation Account constituting Revenues under the General Resolution are subject to the lien created by the General Resolution. See "PART 1 — SUMMARY — Separately Financed Projects; Transmission Resolution," "PART 1 — SECURITY FOR THE 2024 A BONDS" and "PART 2 — CERTAIN FINANCIAL MATTERS — SFP Transmission Projects."

Amounts in the Operating Fund shall be used in the following order of priority: to pay Operating Expenses; to pay debt service on Obligations, which includes the 2024 A Bonds, and Parity Debt; to pay debt service on any Subordinated Indebtedness and Subordinated Contract Obligations; for withdrawal and deposit in the Capital Fund; and for withdrawal for any lawful corporate purpose, provided that such amounts are not needed at the time of such withdrawal to pay Operating Expenses or debt service as described above. See "PART 1 — SECURITY FOR THE 2024 A BONDS."

The Authority shall from time to time, and in all events prior to any withdrawal of moneys from the Operating Fund for lawful corporate purposes, as described above, determine the amount, if any, to be held for reserves in the Operating Fund. See "PART 1 — SECURITY FOR THE 2024 A BONDS — Application of Revenues."

Amounts in the Capital Fund shall be applied to the payment of Capital Costs, but must be applied to the payment of debt service on Obligations, including the 2024 A Bonds, and Parity Debt, if needed.

Additional Indebtedness;
Parity Debt.....

As of June 30, 2024, the Authority had outstanding \$1,249,520,000 in principal amount of long-term Revenue Bonds, which are Obligations payable and secured on a parity with the 2024 A Bonds.

The Authority may issue additional Obligations pursuant to the General Resolution, payable and secured on a parity with the 2024 A Bonds, for any purpose of the Authority authorized by Title 1 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended from time to time (the "Act"), or by other then-applicable State statutory provisions. The principal amount of Obligations which may be issued under the General Resolution is not limited, and there is no debt service coverage or historical or projected earnings test that must be satisfied as a condition to any such issuance.

The Authority may also issue additional Parity Debt payable and secured on a parity with Obligations, including the 2024 A Bonds. Currently, there is no other 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. See "PART 2 — APPENDIX 1 — SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION

— Credit Facilities; Qualified Swaps and Other Similar Arrangements; Parity Debt.”

The Authority may issue Subordinated Indebtedness or incur Subordinated Contract Obligations payable from the Trust Estate subject and subordinate to the payments to be made with respect to Obligations, including the 2024 A Bonds, 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, including the 2024 A Bonds, and any Parity Debt.

As of June 30, 2024, the Authority had outstanding \$478,354,000 in principal amount of Subordinated Indebtedness.

Separately Financed Projects;
Transmission Resolution.....

The General Resolution provides that nothing prevents the Authority from authorizing and issuing indebtedness for any purpose of the Authority authorized by the Act or by other then-applicable State statutory provisions (any project so financed is referred to herein as a “Separately Financed Project”), which indebtedness, 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 withdrawn by the Authority pursuant to the General Resolution.

In 2021, the Authority adopted its General Resolution Authorizing Transmission Project Revenue Obligations, as supplemented and amended (the “Transmission Resolution”), which authorizes the issuance of obligations (“Transmission Revenue Bonds”) to finance the costs of certain transmission projects that have been designated by the Authority as (i) a Separately Financed Project under the General Resolution and (ii) a transmission project for purposes of the Transmission Resolution (an “SFP Transmission Project”); such Transmission Revenue Bonds, and the Authority’s share of any operating expenses related to such SFP Transmission Project, are payable solely from the revenues or other income derived from the ownership or operation of such SFP Transmission Project or from other funds available to be withdrawn by the Authority pursuant to the General Resolution. See “PART 2 — CERTAIN FINANCIAL MATTERS — SFP Transmission Projects.”

The Transmission Revenue Bonds issued under the Transmission Resolution for the SFP Transmission Projects are limited obligations of the Authority payable solely from and secured by the trust estate pledged under and subject to the lien of the Transmission Resolution and such bonds are neither payable from nor secured by revenues pledged under and subject to the lien of the General Resolution. See “PART 1 — SECURITY FOR THE 2024 A BONDS.”

Registration of the 2024

Bonds

The 2024 A Bonds will be issuable as fully registered bonds in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). No person acquiring an interest in the 2024 A Bonds (a “Beneficial Owner”) will be entitled to receive a 2024 A Bond in certificated form (a “Definitive Obligation”), except under the limited circumstances described in this Official Statement under “PART 1 — APPENDIX B — BOOK-ENTRY-ONLY SYSTEM PROCEDURES.” Unless and until Definitive Obligations are issued, all references to actions by Owners will refer to actions taken by DTC, upon instructions from DTC Participants, and all references herein to distributions, notices, reports and statements to Owners shall refer to distributions, notices, reports and statements, respectively, to DTC or Cede & Co., as the registered owner of the 2024 A Bonds, or to DTC Participants for distribution to Beneficial Owners in accordance with DTC procedures.

Tax Considerations

In the opinions of Co-Bond Counsel to the Authority, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the 2024 A Bonds 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 2024 A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. See “PART 1 — TAX MATTERS.”

In addition, in the opinions of Co-Bond Counsel, under existing statutes, interest on the 2024 A Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof (including the City). See “PART 1 — TAX MATTERS.”

Trustee

The Bank of New York Mellon, New York, New York.

Authority’s Financial Advisor.....

Hilltop Securities Inc., New York, New York. See “FINANCIAL ADVISOR.”

Ratings

Moody’s Investors Service, Inc. (“Moody’s”), S&P Global Ratings, a division of Standard & Poor’s Financial Services, LLC (“S&P”), Fitch Ratings (“Fitch”) and Kroll Bond Rating Agency, Inc. (“KBRA”) have assigned ratings of “Aa1”, “AA”, “AA”, and “AA+”, respectively, to the 2024 A Bonds. See “PART 1 — RATINGS.”

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PART 1
of the
OFFICIAL STATEMENT
of the
POWER AUTHORITY OF THE STATE OF NEW YORK

\$450,000,000
REVENUE BONDS, SERIES 2024 A (GREEN BONDS)

INTRODUCTION

This Official Statement provides certain information concerning the Power Authority of the State of New York (the “Authority”) in connection with the issuance of the Authority’s Revenue Bonds, Series 2024 A (Green Bonds) (the “2024 A Bonds”). The 2024 A Bonds 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”), and the Authority’s General Resolution Authorizing Revenue Obligations, adopted on February 24, 1998 (the “General Bond Resolution”), as amended and supplemented, including as supplemented by the Twelfth Supplemental Resolution Authorizing Revenue Bonds, adopted on September 17, 2024 (the “Twelfth Supplemental Resolution”), which authorizes the issuance of the 2024 A Bonds (the General Bond Resolution, as so amended and supplemented, the “General Resolution”). The bonds, notes, and other obligations (including the 2024 A Bonds) of the Authority issued as parity obligations and from time to time outstanding pursuant to the General Resolution are referred to herein as “Obligations.” All words and terms which are defined in the General Resolution are used herein as so defined.

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 entities in certain neighboring states. The Authority is a transmission-owning member of the New York Independent System Operator, Inc. (“NYISO”), a not-for-profit corporation that operates the State’s bulk electricity grid, administers the State’s wholesale electricity markets, and provides comprehensive reliability planning for the State’s bulk electricity system. In addition to its role as a transmission owner in the NYISO, the Authority also engages in the sale and purchase of capacity, energy and ancillary services in the NYISO wholesale energy markets.

Generation Facilities. The Authority owns and/or operates five major generating facilities, seven small natural gas power plants (“SNGPPs”), including four dual units, and four small hydroelectric facilities with a total installed capacity of approximately 6,000 megawatts (“MW”), and approximately 1,550 circuit miles of transmission lines, including major 765 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. See “PART 2 — THE AUTHORITY’S FACILITIES”.

Transmission Facilities. The Authority owns and maintains more than 1,550 circuit miles of high voltage (115 kV-765 kV) transmission lines in the State, with NYISO operating the transmission system, including assets owned by the Authority. These transmission lines include a 765 kV line south from the Canadian border to Marcy, New York; two 345 kV lines east from the Canadian border to the Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid”) Edic Substation in central New York; two 345 kV lines from Marcy, New York, connecting to other utility substations in southeastern New York; three 345 kV lines from the Blenheim-Gilboa Project extending to substations near Athens, New Scotland, and Delhi, respectively; two 230 kV lines extending east from the St. Lawrence Project to Plattsburgh, New York, and to the Vermont border; a 345 kV line from the Fitzpatrick Nuclear Power Plant near Oswego, New York to the National Grid substation in Edic, New York; two 230 kV lines extending south from the St. Lawrence Project to Belfort, New York; a single circuit underground and underwater line extending across Long Island Sound between the substation of the Consolidated Edison Company of New York, Inc. (“ConEd”) in Westchester County and Long Island Power Authority’s (“LIPA”) substation in Nassau County, New York; several 115 kV lines connected directly to large industrial customers, and other shorter lines connecting the Authority’s generating facilities to the transmission grid. In total, the Authority owns approximately 37% of the circuit miles of high voltage transmission in the State, and 14% of all circuit miles of transmission in the State. See “PART 2 — POWER SALES — Marketing Issues and Development — Item (7)”.

Subsidiaries. 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 New York State Canal System to be exercised through the Canal Corporation. See “PART 2 — NEW YORK STATE 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. See “PART 2 — THE CAPTIVE.”

The Authority’s Act was amended in 2023 to, among other things, provide the Authority with the power to create one or more subsidiaries for the purpose of financing, developing and operating renewable energy generating projects in support of the State’s renewable energy goals established in the New York State Climate Leadership and Community Protection Act, Chapter 106 of the Laws of 2019 (the “Climate Act”). Pursuant to such authority, the Authority expects, subject to approval by the Board of Trustees, to cause the formation of a subsidiary under the New York Business Corporations Law (the “Renewables Corporation”) the shares of which will be wholly-owned by the Authority. See “PART 2 — THE AUTHORITY — Expanded Authority.”

Indebtedness. As of June 30, 2024, \$1,249,520,000 of long-term Obligations (the “Revenue Bonds”), issued under the General Resolution, were outstanding.

As of June 30, 2024, Commercial Paper Notes of the Authority (the “CP Notes”) were outstanding in the aggregate principal amount of \$476,784,000. The CP Notes are Subordinated Indebtedness of the Authority as provided in the General Resolution.

As of the date hereof, no Extendible Municipal Commercial Paper Notes of the Authority (the “EMCP Notes”) were outstanding. The EMCP Notes are Subordinated Indebtedness of the Authority as provided in the General Resolution.

As of June 30, 2024, the Authority’s Subordinated Notes, Series 2012 (the “2012 Subordinated Notes”) and its Subordinated Notes, Series 2017 (the “2017 Subordinated Notes”) were outstanding in the total aggregate principal amount of \$1,570,000. The 2012 Subordinated Notes and the 2017 Subordinated Notes are Subordinated Indebtedness of the Authority as provided in the General Resolution.

Information Included in this Official Statement

Part 1 of this Official Statement contains a description of the 2024 A Bonds and the security for the 2024 A Bonds, and a discussion of other matters relating to the 2024 A Bonds. In Part 2 of this Official Statement, there is a description of the Authority, its operations and financial condition and a discussion of certain relevant developments.

The Authority’s Financial Statements for the year ended December 31, 2023 (With Independent Auditor’s Report) and Management’s Discussion and Analysis (Unaudited) (the “2023 Financial Statements”) and the Authority’s unaudited consolidated financial statements for the six months ended June 30, 2024 (the “2024 Mid-Year Financial Statements”) have each been filed with the Electronic Municipal Market Access System (“EMMA”) of the Municipal Securities Rulemaking Board (“MSRB”), currently located at <https://emma.msrb.org/>, and are hereby included by specific cross-reference in this Official Statement. For convenience, a copy of the 2023 Financial Statements and the 2024 Mid-Year Financial Statements are also available on the Authority’s website at <https://www.nypa.gov/about/financials>. *No statement on the Authority’s website is included by specific cross-reference in this Official Statement.*

A discussion of certain litigation pending or threatened against the Authority, or involving or adversely affecting the property or assets of or under the control of the Authority, is set forth in APPENDIX D to Part 1 of this Official Statement. A summary of certain provisions of the General Resolution is set forth in APPENDIX 1 to Part 2 of this Official Statement. The proposed form of the approving opinions of Co-Bond Counsel is set forth in APPENDIX A to Part 1 of this Official Statement. Extracts from the schedule of The Depository Trust Company (“DTC”) entitled “SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE” are set forth in APPENDIX B to Part 1 of this Official Statement. Backgrounds of the Board of Trustees and certain senior management staff are set forth in APPENDIX 3 to Part 2 of this Official Statement. The form of the Continuing Disclosure Agreement that the Authority will execute in connection with the issuance of the 2024 A Bonds is set forth in APPENDIX C to Part 1 of this Official Statement.

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SECURITY FOR THE 2024 A BONDS

Set forth below is a narrative description of certain contractual and statutory provisions relating to the security for the Obligations, including the 2024 A Bonds, issued under the General Resolution. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the General Resolution, the Twelfth Supplemental Resolution and the Depository Agreement, for a more complete description of such provisions. Copies of the Act, the General Resolution, the Twelfth Supplemental Resolution and the Depository Agreement are on file with the Authority and the Trustee. See also “PART 2 — APPENDIX 1 — SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION” for a more complete statement of the rights, duties and obligations of the parties thereto.

The General Resolution authorizes the issuance of Obligations for any purpose authorized by the Act or other State statutory provision then applicable. All Obligations, including the 2024 A Bonds, are payable from Revenues and secured by a pledge of the Trust Estate, subject to no prior pledge or lien.

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 Resolution (a “Separately Financed Project”) (see “PART 2 — APPENDIX 1 — SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION — Conditions for Issuance of Obligations”) and not including any federal or State grant moneys the receipt of which is conditioned upon their expenditure for a particular purpose.

Separately Financed Projects

The General Resolution allows the Authority to authorize and issue bonds, notes, or other obligations or evidences of indebtedness for any project authorized by the Act or by other applicable State statutory provisions (such project a “Separately Financed Project” or an “SFP”), if the debt service on such bonds, notes, or other obligations or evidences of indebtedness, if any, 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 funds made available by the Authority upon the conditions set forth in the General Resolution.

In accordance with the terms of the General Resolution, the Authority, on December 7, 2021, adopted the General Resolution Authorizing Transmission Project Revenue Obligations (as amended and supplemented, the “Transmission Resolution”), under which the Authority may finance the costs of any project, facility, system, equipment, and/or material 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, which has been designated by the Authority pursuant to the Transmission Resolution as a “Separately Financed Project” under the General Resolution as described above and an “SFP Transmission Project” for purposes of the Transmission Resolution. The Authority may designate a project as an SFP Transmission Project under the Transmission Resolution in order to provide for the financing of new transmission projects and improvements to existing transmission projects of the Authority that have or are expected to have regulated rates of return. As of June 30, 2024, the total outstanding

indebtedness of the Authority under the Transmission Resolution was \$1,342,530,000. See “PART 2 — CERTAIN FINANCIAL MATTERS — SFP Transmission Projects.”

The Transmission Resolution provides that during the last calendar month of any Fiscal Year (as defined in the Transmission Resolution), amounts may be withdrawn from the Revenue Fund established under the Transmission Resolution and used for any lawful corporate purpose as determined by the Authority, including, but not limited to, transfer to the General Resolution Operating Fund. In December 2023, \$25 million was released from the Transmission Resolution and deposited in the Operating Fund. See “PART 2 — CERTAIN FINANCIAL MATTERS — SFP Transmission Projects.”

The bonds issued under the Transmission Resolution for the SFP Transmission Projects are limited obligations of the Authority payable solely from and secured by the trust estate pledged under and subject to the lien of the Transmission Resolution and such bonds are neither payable from nor secured by Revenues pledged under and subject to the lien of the General Resolution. See “PART 2 — THE AUTHORITY — SFP Transmission Projects” herein.

NYISO Commingled Revenues; Allocation Account

Certain payments received by the Authority from the NYISO are commingled and include amounts that constitute Revenues pledged under the General Resolution and transmission revenues (“SFP Transmission Revenues”) pledged under the Transmission Resolution (“NYISO Commingled Payments”). All net payments received by the Authority from NYISO, including all NYISO Commingled Payments, are deposited into a depository trust allocation account (the “Allocation Account”) established pursuant to a depository trust agreement (the “Depository Trust Agreement”), by and between the Authority and The Bank of New York Mellon (in such capacity, the “Depository Agent”). Upon receipt of any NYISO Commingled Payments, the Authority will advise the Depository Agent of (i) the portion of such NYISO Commingled Payments that constitutes Revenues under the General Resolution, which, at the direction of the Authority, the Depository Agent shall transfer for deposit to the Operating Fund established under the General Resolution and (ii) the portion of such NYISO Commingled Payments that constitutes SFP Transmission Revenues, which, at the direction of the Authority, the Depository Agent shall transfer for deposit to the revenue fund established under the Transmission Resolution. Amounts in the Allocation Account constituting Revenues are subject to the lien of the General Resolution and are not pledged to the payment of obligations issued under the Transmission Resolution. Amounts held in the Allocation Account constituting SFP Transmission Revenues are subject to the lien created by the Transmission Resolution and are not pledged to the payment of Obligations.

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 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 trusts established by the Authority to fund its Other Postemployment Benefits (“OPEB”) obligations and certain decommissioning costs relating to the two nuclear plants it sold in 2000. See “PART 2 — CERTAIN FINANCIAL MATTERS — State Pension Plan and Other Postemployment Benefits” and “— Nuclear Plant Sale Matters.” While the Trust Estate does not include revenues or other income attributable to Separately Financed Projects, including SFP Transmission Projects, or to any 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 Resolution and, once deposited, become part of the Trust Estate. See “PART 2 — CERTAIN FINANCIAL MATTERS — Separately Financed Projects” and “— SFP Transmission Projects.”

Application of Revenues

The General 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, which includes the 2024 A Bonds, 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 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, 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 (see “PART 2 — APPENDIX 1 — SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION”).

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. See “PART 2 — NEW YORK STATE CANAL CORPORATION” for additional information.

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 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.

Operating Fund Reserves

Since 1998, the Authority has maintained an operating reserve, established at \$175 million by the Board of Trustees for working capital and emergency repairs for the Authority's projects. At June 30, 2024, the operating reserve had a balance of \$667 million. While the Authority intends to maintain the \$175 million operating reserve, the maintenance and size of the operating reserve is at the discretion of the Authority's Board of Trustees and may at any time be modified or eliminated at the discretion of the Board of Trustees.

In addition to the operating reserve, the Authority has established the following reserves within the Operating Fund:

- (1) The debt service reserve is funded at maximum annual debt service to ensure that sufficient amounts are available to pay principal and interest on obligations when due. At June 30, 2024, the debt service reserve balance was \$55 million.
- (2) The energy hedging reserve was established to have funds available for use as collateral that may be required to support the Authority's authorized fuel and energy hedging transactions. At June 30, 2024, the energy hedging reserve balance was \$90 million. For a discussion of energy hedging agreements entered into by the Authority, see the 2024 Mid-Year Financial Statements (as hereinafter defined), "Note 8 – Risk Management and Commodity Hedging Activities" on pages 29-31.
- (3) The spent fuel reserve was created to maintain funds to cover the Authority's future expense pursuant to a 1983 contract with the U.S. Department of Energy for nuclear waste disposal services at the Indian Point #3 and James A. Fitzpatrick nuclear plants. The Authority remains liable for the pre-1983 spent fuel obligation for the Indian Point #3 and James A. Fitzpatrick nuclear plants. At June 30, 2024, the spent fuel reserve balance was \$252 million. For a discussion of the Authority's nuclear plant divestiture and issues relating to nuclear fuel disposal, see the 2024 Mid-Year Financial Statements, "Note 11 – Nuclear Plant Divestiture and Related Matters" on page 33.
- (4) The capital project reserve is utilized to partially fund major new investments by the Authority in its energy infrastructure. The Authority funds major investments with a portion of debt and a portion of equity. This reserve has been established to provide the equity portion. At June 30, 2024, the capital project reserve balance was \$222 million.

The maintenance, size and existence of the foregoing reserves within the Operating Fund is subject to the discretion of the Board of Trustees.

Rate Covenant

The Authority has covenanted in the General 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),

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

- (ii) to pay the debt service on all Obligations, including the 2024 A Bonds, then outstanding and the debt service on all Subordinated Indebtedness 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 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 (see "PART 2 — POWER SALES").

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 (see "PART 2 — POWER SALES — St. Lawrence-FDR and Niagara").

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 (the "Public Service Law") nor to regulation by the New York Public Service Commission (the "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 NYISO. 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 (see "PART 2 — NEW YORK INDEPENDENT SYSTEM OPERATOR").

Covenant Regarding Projects

The General 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 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. See "PART 2 — APPENDIX 1 — SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION."

Additional Debt Issuance

The General Resolution permits the Authority to issue additional 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. The Authority has covenanted in the General Resolution not to issue any bonds or evidences of indebtedness, other than Obligations, secured by a pledge of the Trust Estate, and not to create or cause to be created any lien or charge on the Trust Estate, except to the extent provided in the General Resolution; provided that the

Authority may, at any time, or from time to time, incur Subordinated Indebtedness 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 Resolution as security for payment of Obligations, including the 2024 A Bonds. As of the date of this Official Statement, the Subordinated Indebtedness issued by the Authority and outstanding consists of the CP Notes, the 2012 Subordinated Notes, and the 2017 Subordinated Notes. See “PART 2 — CERTAIN FINANCIAL MATTERS — Outstanding Indebtedness.”

The Authority may also incur Parity Debt payable and secured on a parity with Obligations, including the 2024 A Bonds. 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. See “PART 2 — APPENDIX 1 — SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION — Credit Facilities; Qualified Swaps and Other Similar Arrangements; Parity Debt.”

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, including the 2024 A Bonds, or subordinate to Obligations, including the 2024 A Bonds, 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, including the 2024 A Bonds.

For a discussion of energy swap agreements entered into by the Authority, see the 2024 Mid-Year Financial Statements, “Note 8 – Risk Management and Commodity Hedging Activities” on pages 29-31.

The General Resolution also permits the Authority to issue bonds, notes, or any other obligations under another and separate resolution to finance a Separately Financed Project. See “PART 2 — CERTAIN FINANCIAL MATTERS — SFP Transmission Projects.”

General

The Authority has no taxing power, and its obligations are not debts of the State or of any political subdivision of the State, other than the limited pledge of the Authority. The 2024 A Bonds will not constitute a pledge of the faith and credit of the State or of any political subdivision thereof, other than the Authority. The issuance of the 2024 A Bonds 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 2024 A Bonds.

For a description of other provisions of the General Resolution related to the security for Obligations, including the 2024 A Bonds, see “PART 2 — APPENDIX 1 — SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION.”

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PLAN OF FINANCE

General

The proceeds of the 2024 A Bonds will be used, together with other available funds, to finance and reimburse expenditures related to the Authority’s capital projects, including generation, transmission and headquarters improvements, to pay capitalized interest, and to pay the costs of issuance of the 2024 A Bonds. See “PART 2 — CERTAIN FINANCIAL MATTERS — Projected Capital and Financing Requirements and Potential Initiatives.”

Estimated Sources and Uses of Proceeds

Moneys will be derived from the sources and applied to the uses approximately as set forth below:

Sources of Funds

Principal Amount of the 2024 A Bonds	\$450,000,000.00
Net Original Issue Premium	<u>63,628,430.25</u>
Total	<u>\$513,628,430.25</u>

Application of Funds

Deposit into Construction Fund.....	\$446,713,563.71
Deposit to Operating Fund for	
Payment of Capitalized Interest.....	61,903,602.11
State Bond Issuance Fee.....	1,575,000.00
Financing Costs ¹	<u>3,436,264.43</u>
Total	<u>\$513,628,430.25</u>

¹ Includes costs of issuance and underwriters’ discount.

Designation of 2024 A Bonds as Green Bonds

The 2024 A Bonds are being designated as “Green Bonds” by the Authority due to the expected environmental benefits of the projects financed with the proceeds of the 2024 A Bonds. The purpose of the “Green Bonds” designation is to inform investors that bond proceeds are intended to be used to support environmentally beneficial projects.

In September 2024, the Authority revised its New York Power Authority Green Bond and Green Commercial Paper Notes Framework (the “Green Bond Framework”) under which the Authority may issue green bonds 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”) and corporate governance research and ratings to investors, provided a Second Party Opinion that the Authority’s Green Bond Framework aligns with the four core components of the Green Bond Principles 2022, published June 2022 by the International Capital Market Association (the “GBP”). The cornerstone of green bonds is the utilization of bond 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 2024 A Bonds as green bonds. The GBP specifies that green bond 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 Green Bond Framework.

Sustainalytics has evaluated and verified that the projects that will be funded with the proceeds of the 2024 A Bonds are aligned with the Authority’s Green Bond Framework as the Authority anticipates the proceeds of the 2024 A Bonds will be applied exclusively for a project and activity that promote climate or other environmentally sustainable purposes in alignment with the GBP.

The proceeds of the 2024 A Bonds will be used to finance capital projects that will directly assist in meeting the requirements of the Climate Act. The Climate Act calls for the reduction of statewide greenhouse gas emissions (“GHG”) to 60% of 1990 levels by 2030 and to 15% of 1990 levels by 2050. The Authority expects these projects will accelerate progress towards the State’s clean energy and climate goals, including the mandate to obtain 70% of the State’s electricity from renewable sources, as identified under the Climate Act. For more information on this legislation, see “LEGISLATION AFFECTING THE AUTHORITY — State Legislation.”

The Green Bond and Green Commercial Paper Notes 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-\(2024\)](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 Official Statement.*

The term “Green Bonds” is not defined in nor related to the General Resolution. The use of the term in this Official Statement is solely for identification purposes and is not intended to provide or imply that any owner of any 2024 A Bond is entitled to any security other than as provided in the General Resolution or qualify for other environmental attributes associated therewith. The Authority does not make any representation as to the sustainability of the 2024 A Bonds to fulfill such environmental and ability criteria. The 2024 A Bonds 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 2024 A Bonds will continue to meet investor expectations regarding sustainability performance.

For more information on the Authority’s facilities with environmental benefits, see “PART 2 — THE AUTHORITY’S FACILITIES — Transmission — *The Authority’s Transmission System.*”

THE 2024 A BONDS

Description of the 2024 A Bonds

The 2024 A Bonds will be dated their date of delivery and will bear interest at the rates and mature at the times set forth on the inside cover page of this Official Statement. Interest on the 2024 A Bonds is due each May 15 and November 15, commencing May 15, 2025. Interest on any 2024 A Bond will be paid to the person in whose name such 2024 A Bond is registered on the applicable record date, which is the close of business on the first day (whether or not a business day) of the month in which such interest payment date occurs.

The 2024 A Bonds will be issued as fully registered bonds. The 2024 A Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. When issued, the 2024 A Bonds will be registered in the name of Cede & Co., as registered owner and nominee of DTC, which will act as securities depository

for the 2024 A Bonds pursuant to DTC’s Book-Entry-Only System. Purchases of beneficial interests in the 2024 A Bonds will be made in book-entry form, without certificates. If at any time the Book-Entry-Only System is discontinued for the 2024 A Bonds, the 2024 A Bonds will be exchangeable for other fully registered 2024 A Bonds in any other authorized denominations of the same maturity without charge except the payment of any tax, fee or other governmental charge to be paid with respect to such exchange, subject to the conditions and restrictions set forth in the General Bond Resolution. See “PART 1 — APPENDIX B — BOOK-ENTRY-ONLY SYSTEM PROCEDURES”. So long as the 2024 A Bonds are registered in the name of Cede & Co., principal and interest will be payable solely to Cede & Co., as nominee of DTC, as the sole registered owner of the 2024 A Bonds, and, except under the caption “PART 1 — TAX MATTERS,” references herein to the registered owners or owners shall be to DTC and not the beneficial owners.

The principal or Redemption Price of and interest on each 2024 A Bond will be payable by The Bank of New York Mellon, as Registrar pursuant to the General Resolution, to Cede & Co., which will, in turn, remit such amounts to DTC, which will be responsible for making such payments to DTC Participants for subsequent remittance to the owners of beneficial interests in the 2024 A Bonds. See “PART 1 — APPENDIX B — BOOK-ENTRY-ONLY SYSTEM PROCEDURES”.

Redemption Provisions

Optional Redemption. The 2024 A Bonds maturing on or before November 15, 2034 are not subject to optional redemption prior to maturity. The 2024 A Bonds maturing on or after November 15, 2035 are subject to redemption prior to maturity on or after November 15, 2034 in any order of maturity, at the option of the Authority, as a whole or in part at any time, at a Redemption Price of 100% of the principal amount of such 2024 A Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

Mandatory Redemption. The 2024 A Bonds maturing on November 15, 2049 are subject to mandatory sinking fund redemption, in part, on each of the dates and in the respective principal amounts set forth below, at a Redemption Price of 100% of the principal amount thereof, plus accrued interest to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem the principal amounts of 2024 A Bonds specified for each of the dates shown below:

2024 A Term Bonds Maturing	
<u>November 15, 2049</u>	
<u>November 15</u>	<u>Sinking Fund</u>
	<u>Installment</u>
2045	\$5,160,000
2046	5,365,000
2047	5,580,000
2048	5,800,000
2049 [†]	6,035,000

[†] Stated maturity.

The 2024 A Bonds maturing on November 15, 2054 are subject to mandatory sinking fund redemption, in part, on each of the dates and in the respective principal amounts set forth below, at a Redemption Price of 100% of the principal amount thereof, plus accrued interest to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem the principal amounts of 2024 A Bonds specified for each of the dates shown below:

2024 A Term Bonds Maturing
November 15, 2054

<u>November 15</u>	<u>Sinking Fund</u> <u>Installment</u>
2050	\$6,275,000
2051	7,955,000
2052	8,275,000
2053	8,605,000
2054 [†]	8,945,000

[†] Stated maturity.

Selection of Bonds to be Redeemed

If less than all of the 2024 A Bonds of a maturity are to be redeemed, the 2024 A Bonds of such maturity to be redeemed will be selected by the Trustee in such manner as the Trustee shall deem appropriate and fair. For so long as a book-entry only system of registration is in effect with respect to the 2024 A Bonds, in the event that less than all of a 2024 A Bond of a particular maturity (and, if applicable, each interest rate within a maturity) is to be redeemed, the particular Beneficial Owner(s) to receive payment of the redemption price with respect to beneficial ownership interests in such 2024 A Bond shall be selected by DTC and the DTC Participants and/or Indirect Participants. See “PART 1 — APPENDIX B — BOOK-ENTRY-ONLY SYSTEM PROCEDURES”.

Notice of Redemption

For so long as a book-entry-only system is in effect with respect to the 2024 A Bonds, notice of redemption of 2024 A Bonds to be redeemed is to be mailed, not less than 20 days nor more than 45 days prior to the redemption date, to DTC or its nominee or its successor. Any failure of DTC or its successor, or of a direct or indirect DTC participant, to notify a beneficial owner of a 2024 A Bond of any redemption will not affect the sufficiency or the validity of the redemption of the 2024 A Bonds to be redeemed. See “PART 1 — APPENDIX B — BOOK-ENTRY-ONLY SYSTEM PROCEDURES”.

Any notice of optional redemption may state that it is conditional upon receipt by the Trustee of moneys sufficient to pay the Redemption Price of such 2024 A Bonds or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such Redemption Price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Trustee to affected Owners of 2024 A Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event.

Neither the Authority nor the Trustee can give any assurance that DTC or its successor, or direct or indirect DTC participants, will distribute such redemption notices to the beneficial owners of the 2024 A Bonds, or that they will do so on a timely basis.

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TAX MATTERS

The 2024 A Bonds

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 2024 A Bonds 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 2024 A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Bonds. Pursuant to the General Resolution and 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 2024 A Bonds 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 General Resolution and the Tax Certificate. Nixon Peabody LLP and Hardwick Law Firm LLC, Co-Bond Counsel to the Authority, will not independently verify the accuracy of those representations and certifications.

In the opinion of Co-Bond Counsel, 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 2024 A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Co-Bond Counsel 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 2024 A Bonds 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.

In addition, in the opinions of Co-Bond Counsel to the Authority, under existing statutes, interest on the Tax-Exempt Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City.

Original Issue Discount

Co-Bond Counsel is further of the opinion that the excess of the principal amount of a maturity of the 2024 A Bonds over its issue price (i.e., the first price at which price a substantial amount of such maturity of the 2024 A Bonds 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 Bond” and collectively the “Discount 2024 A Bonds”) constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the 2024 A Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond 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 2024 A Bonds, even though there will not be a corresponding cash payment. Owners of the Discount 2024 A Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount 2024 A Bonds.

Original Issue Premium

2024 A Bonds sold at prices in excess of their principal amounts are “Premium 2024 A Bonds”. An initial purchaser with an initial adjusted basis in a Premium Bond 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 Bond based on the purchaser's yield to maturity (or, in the case of Premium 2024 A Bonds 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 Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser's adjusted basis in such Premium Bond 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 2024 A Bonds. Owners of the Premium 2024 A Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium 2024 A Bonds.

Ancillary Tax Matters

Ownership of the 2024 A Bonds 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 2024 A Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the 2024 A Bonds 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 2024 A Bonds 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.

Co-Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the form of the opinions attached to Part 1 of this Official Statement as APPENDIX A. 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 2024 A Bonds, 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 2024 A Bonds for federal or state income tax purposes, and thus on the value or marketability of the 2024 A Bonds. 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 2024 A Bonds 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 2024 A Bonds may occur. Prospective purchasers of the 2024 A Bonds should consult their own tax advisors regarding the impact of any change in law on the 2024 A Bonds.

Co-Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the 2024 A Bonds may affect the tax status of interest on the 2024 A Bonds. Co-

Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the 2024 A Bonds, or the interest thereon, if any action is taken with respect to the 2024 A Bonds or the proceeds thereof upon the advice or approval of other counsel.

UNDERWRITING

The underwriters listed on the cover page of this Official Statement (collectively, the “Underwriters”), have jointly and severally agreed, subject to certain conditions, to purchase from the Authority the 2024 A Bonds at a purchase price of \$511,139,205.82, or approximately 114% of the aggregate principal amount of the 2024 A Bonds. The purchase price reflects a net original issue premium of \$63,628,430.25 and an underwriters’ discount of \$2,489,224.43. The Underwriters will be obligated to purchase all 2024 A Bonds if any are purchased. Goldman, Sachs & Co. LLC is acting as the representative of the Underwriters with respect to the 2024 A Bonds.

The Underwriters have advised the Authority that the 2024 A Bonds being reoffered may be offered and sold to certain dealers (including dealers depositing such 2024 A Bonds into investment trusts) at prices lower than such initial public offering prices. After the initial public offering, the public offering prices may be changed from time to time by the Underwriters.

The following paragraphs have been provided by the Underwriters:

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

In addition, certain of the Underwriters may have entered into distribution agreements with other broker-dealers (that have not been designated by the Authority as Underwriters) for the distribution of the 2024 A Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

CONTINUING DISCLOSURE UNDERTAKING FOR THE 2024 A BONDS

Pursuant to a Continuing Disclosure Agreement dated the date of the delivery of the 2024 A Bonds, to be entered into by and between the Authority and the Trustee, the Authority will covenant, for the benefit of the holders of the 2024 A Bonds, to provide certain financial information and operating data relating to the Authority by no later than nine months after the end of each of the Authority's fiscal years (presently, by each September 30) (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events with respect to the 2024 A Bonds. Any filing under the Continuing Disclosure Agreement will be made solely by transmitting such filing to EMMA, currently located at <https://emma.msrb.org/>.

The specific nature of the information to be contained in the Annual Report and the notices of material events is set forth in the form of the Continuing Disclosure Agreement, which is included in its entirety in APPENDIX C to Part 1 of this Official Statement. The Authority's agreement will be made in order to assist the Underwriters in complying with Rule 15c2-12 adopted by the SEC under the Exchange Act as amended and in effect on the date hereof ("Rule 15c2-12").

The annual financial and operating information for the year ended December 31, 2018 filed with EMMA by the Authority on September 30, 2019, did not include information for the "capacity and availability factors information by unit" required to be filed in accordance with the Authority's continuing disclosure undertakings. Such capacity and availability information was filed with EMMA by the Authority on October 1, 2019.

RATINGS

Moody's Investors Service, Inc. ("Moody's"), S&P Global Ratings, a division of Standard & Poor's Financial Services, LLC ("S&P"), Fitch Ratings ("Fitch") and Kroll Bond Rating Agency, Inc. ("KBRA") have assigned ratings of "Aa1", "AA", "AA", and "AA+", respectively, to the 2024 A Bonds.

The respective ratings by Moody's, S&P, Fitch and KBRA of the 2024 A Bonds reflect only the views of such organizations and any desired explanation of the significance of such ratings 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: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, S&P Global Ratings, 55 Water Street, New York, New York 10041, Fitch Ratings, Hearst Tower, 300 West 57th Street, New York, New York 10019, and Kroll Bond Rating Agency, 805 Third Avenue, 29th Floor, New York, New York 10022. 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. The Authority has furnished to each rating agency rating the 2024 A Bonds information, including information not included in this Official Statement, about the Authority and the 2024 A Bonds. There is no assurance such ratings for the 2024 A Bonds will continue for any given period of time or that any of such ratings will not be revised downward or withdrawn entirely by any of the rating agencies, if, in the judgment of such rating agency or agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2024 A Bonds.

FINANCIAL ADVISOR

Hilltop Securities Inc. (“Hilltop”) serves as independent financial advisor to the Authority in connection with the structuring, marketing and sale of the 2024 A Bonds, including the timing and conditions of issuance, and other such financial guidance as requested by the Authority. Although Hilltop participated in the review of this Official Statement and other related transaction documents, Hilltop has not independently verified any of the information set forth herein.

LITIGATION

There is no litigation pending or, to the knowledge of the Authority, threatened in any court (either State or federal) to restrain or enjoin the sale, issuance or delivery of the 2024 A Bonds or questioning the creation, organization or existence of the Authority, the title to office of the Board of Trustees or officers of the Authority, the validity of the General Resolution, the pledge of the Trust Estate, the proceedings for the authorization, execution, authentication and delivery of the 2024 A Bonds or the validity of the 2024 A Bonds.

Litigation pending against the Authority (under the jurisdiction of either State or federal courts or agencies) or threatened against the Authority, or involving or adversely affecting any of the property or assets of or under the control of the Authority, includes, among other matters, the matters described in APPENDIX D to Part 1 of this Official Statement.

The Authority is unable to predict the outcome of matters described in APPENDIX D, as well as the other actions or proceedings referred to in this Official Statement, but believes that the Authority has meritorious defenses or positions with respect thereto. Adverse decisions or determinations of certain types could, however, delay or impede the Authority’s construction and operation of its existing or planned projects and could require the Authority to incur substantial additional costs, and such decisions or determinations could also adversely affect the Authority’s revenues. See “PART 2 — CERTAIN FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY AND THE AUTHORITY” for information with respect to certain other regulatory and administrative matters.

LEGALITY FOR INVESTMENT

The Act provides that the 2024 A Bonds 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 2024 A Bonds 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 2024 A Bonds 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.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization and issuance of the 2024 A Bonds are subject to the approval of Nixon Peabody LLP and Hardwick Law Firm LLC, each Co-Bond Counsel to the Authority. The approving opinions of Co-Bond Counsel to be delivered with such 2024 A Bonds will be in substantially the form attached to Part 1 of this Official Statement as APPENDIX A. Certain legal matters will be passed upon for the Underwriters by their counsel, Katten Muchin Rosenman LLP.

Underwriters' Counsel will receive compensation contingent upon the sale and delivery of the 2024 A Bonds. From time to time, Co-Bond Counsel each may represent one or more of the Underwriters in matters unrelated to the Authority or the 2024 A Bonds.

MISCELLANEOUS

The references in this Official Statement (which consists of Part 1 and Part 2) to the General Resolution, the Transmission Resolution, the Depository Trust Agreement, the State Constitution, the Act, the Public Service Law, the Niagara Redevelopment Act, the Federal Power Act, the Code, certain other legislation and court and Federal Energy Regulatory Commission decisions, orders and other actions, the licenses, certifications and permits for the Authority's facilities and certain contracts and leases of the Authority are brief summaries and outlines of certain portions or provisions thereof. Such summaries and outlines do not purport to be complete, and reference is made to such documents, legislation, decisions, orders, actions, licenses, certifications, permits, contracts and leases for full and complete statements of such portions or provisions. Copies of such documents are on file at the offices of the Authority. All estimates and opinions presented herein are intended only as such and not as representations of fact.

The agreements with the Owners of the 2024 A Bonds are fully set forth in the General Resolution and the Continuing Disclosure Agreement. This Official Statement does not constitute and is not intended to constitute a contract between the Authority and any Owner of any 2024 A Bond.

All inquiries to the Authority relating to this Official Statement should be addressed to Treasurer, Power Authority of the State of New York, 123 Main Street, White Plains, New York 10601 (telephone number: (914) 681-6200).

The delivery of this Official Statement has been duly authorized by the Authority.

POWER AUTHORITY OF THE STATE OF NEW YORK

By: /s/ Justin E. Driscoll
President and Chief Executive Officer

September 24, 2024

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**FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL
WITH RESPECT TO THE 2024 A BONDS**

[Date of Delivery]

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

Ladies and Gentlemen:

We have examined a certified record of proceedings relating to the issuance of Revenue Bonds, Series 2024 A (Green Bonds) in the principal amount of \$450,000,000 (the “Series 2024 A Bonds”) of the Power Authority of the State of New York (the “Authority”), a body corporate and politic constituting a corporate municipal instrumentality and political subdivision of the State of New York (the “State”).

The Series 2024 A Bonds 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 (herein called the “Act”), and under and pursuant to proceedings of the Authority duly taken, including a resolution of the Authority adopted on February 24, 1998, entitled “General Resolution Authorizing Revenue Obligations” (the “General Resolution”), as amended and supplemented, including by a Twelfth Supplemental Resolution Authorizing Revenue Bonds adopted on September 17, 2024 and the Certificate of Determination delivered thereunder relating to the Series 2024 A Bonds (the “Twelfth Supplemental Resolution” and, together with the General Resolution, the “Resolution”). All terms used herein and not defined herein shall have the meanings assigned in the General Resolution.

The Series 2024 A Bonds are dated, mature, are subject to redemption and tender, are payable and bear interest, all as provided in the Resolution.

The Authority reserves the right to issue additional bonds, notes and other obligations as parity obligations under the Resolution (collectively, with the Series 2024 A Bonds and all other outstanding parity obligations under the Resolution, the “Revenue Bonds”) for the purposes and on the terms and conditions stated in the Resolution. Under the provisions of the Resolution, all such Revenue Bonds will rank equally as to security and payment with the Series 2024 A Bonds.

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 Resolution. The Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and is valid and binding upon the Authority, enforceable in accordance with its terms, and no other authorization for the Resolution is required. The Twelfth Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the General Resolution, is authorized by the General Resolution and is valid and binding upon the Authority, enforceable in accordance with its terms. The Resolution creates the valid pledge which it purports to create of the Trust Estate, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.

3. The Series 2024 A Bonds have been duly and validly authorized and issued in accordance with law and in accordance with the Resolution, and are valid, binding and direct obligations of the Authority, enforceable in accordance with their terms and the terms of the Resolution and entitled to the benefits of the Act, payable solely from the Trust Estate as and to the extent provided in the Resolution. The Authority has the right and lawful authority under the Act to effectuate the purposes for which the proceeds of such Bonds will be utilized, subject to obtaining such licenses, orders or other authorizations, if any, as, at the date hereof, may be required to be obtained from any agency or regulatory body having lawful jurisdiction in order to effectuate such purposes. The Authority has no taxing power, the Series 2024 A Bonds are not debts of the State or of any political subdivision of the State, other than the Authority, and the Series 2024 A Bonds will not constitute a pledge of the faith and credit of the State or of any political subdivision thereof, other than the Authority.

4. The Internal Revenue Code of 1986, as amended (the “Code”), sets forth certain requirements that must be met subsequent to the issuance and delivery of the Series 2024 A Bonds 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 2024 A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2024 A Bonds. Pursuant to the Resolution and the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141–150 of the Internal Revenue Code of the Authority dated the date hereof (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 2024 A Bonds 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 Twelfth Supplemental Resolution and the Tax Certificate. We have not independently verified the accuracy of those certifications and representations or that opinion.

Under existing law and assuming compliance with the tax covenants described herein, and the accuracy of the aforementioned representations and certifications, interest on the Series 2024 A Bonds (including any original issue discount properly allocable thereto) 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 2024 A Bonds 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. Under existing law, interest on the Series 2024 A Bonds is exempt, by virtue of the Act, from personal income taxes of the State of New York or any political subdivision thereof.

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 amount, accrual or receipt of interest on, the Series 2024 A Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2024 A Bonds, or the interest thereon, if any action is taken with respect to the Series 2024 A Bonds or the proceeds thereof upon the advice or approval of other counsel.

The opinions expressed in paragraphs 2 and 3 above are subject to 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.

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 Series 2024 A Bonds. In rendering the foregoing opinions we have not been requested to examine any document or financial or other information

concerning the Authority, other than the record of proceedings referred to above, and we express no opinion as to the accuracy, adequacy, sufficiency or completeness of any financial or other information which has been or will be supplied to purchasers of the Series 2024 A Bonds.

This letter is rendered solely with regard to the matters expressly opined on above and no other opinions are intended nor should they be inferred. Our services did not include financial or other non-legal advice. 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.

We have examined a Series 2024 A Bond of each Series as executed and, in our opinion, the form of said Series 2024 A Bonds and their execution are regular and proper.

Very truly yours,

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BOOK-ENTRY-ONLY SYSTEM PROCEDURES

The information contained in the following paragraphs (1)-(10) of this Appendix has been extracted from a schedule prepared by The Depository Trust Company, entitled “SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE.” The Authority makes no 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.

1. The Depository Trust Company (“DTC”), Brooklyn, NY, will act as securities depository for the 2024 A Bonds. The 2024 A Bonds will be issued as fully registered securities registered 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 or more fully registered certificates will be issued for each maturity of each series of the 2024 A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. 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 Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P rating of AA+. The DTC Rules applicable to Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of 2024 A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2024 A Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2024 A Bond (“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. Beneficial Owners are, however, 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 2024 A Bonds 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 2024 A Bonds, except in the event that use of the book-entry-only system for the 2024 A Bonds is discontinued.

4. To facilitate subsequent transfers, all 2024 A Bonds 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 2024 A Bonds 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 2024 A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2024 A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. 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. Beneficial Owners of 2024 A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2024 A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2024 A Bond documents. For example, Beneficial Owners of the 2024 A Bonds may wish to ascertain that the nominee holding the 2024 A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. As long as the book-entry system is used for the 2024 A Bonds, the Trustee will give any notice of redemption or any other notices required to be given to Owners of such 2024 A Bonds only to DTC. Any failure of DTC to advise any Direct Participant, or of any Direct Participant to notify any Indirect Participant, or of any Direct or Indirect Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the 2024 A Bonds called for such redemption, or of any other action premised on such notice.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2024 A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an 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 2024 A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds and principal and interest payments on the 2024 A Bonds 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 Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. 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 will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

9. The requirement for physical delivery of 2024 A Bonds in connection with a mandatory purchase will be deemed satisfied when the ownership rights in the 2024 A Bonds are transferred by Direct

Participants on DTC's records and followed by a book-entry credit of tendered 2024 A Bonds to Tender Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the 2024 A Bonds 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, certificates for the 2024 A Bonds are required to be printed and delivered.

11. 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, certificates for the 2024 A Bonds will be printed and delivered to DTC (or a successor securities depository) upon satisfaction of the applicable procedures of DTC with respect thereto.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE AUTHORITY BELIEVES TO BE RELIABLE, BUT THE AUTHORITY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

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FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Agreement”), dated October __, 2024, by and between the Power Authority of the State of New York (the “Issuer”) and The Bank of New York Mellon, as trustee (the “Trustee”), under a resolution adopted by the Issuer on February 24, 1998 entitled “General Resolution Authorizing Revenue Obligations” (the “General Resolution”), as amended and supplemented, including by an Twelfth Supplemental Resolution adopted on September 17, 2024 (the “Twelfth Supplemental Resolution” and, together with the General Resolution, the “Resolution”), is executed and delivered in connection with the issuance of the Issuer’s \$450,000,000 principal amount of Revenue Bonds, Series 2024 A (Green Bonds) (the “2024 A Bonds”). Capitalized terms used in this Agreement which are not otherwise defined in the Resolution shall have the respective meanings specified above or in Article IV hereof. The parties agree as follows:

ARTICLE I**The Undertaking**

Section 1.1. *Purpose.* This Agreement is being executed and delivered solely to assist the Underwriters in complying with subsection (b)(5) of the Rule.

Section 1.2. *Annual Financial Information.* (a) The Issuer shall provide Annual Financial Information with respect to each fiscal year of the Issuer, commencing with the fiscal year ending December 31, 2024, by no later than nine months after the end of the respective fiscal year, to the MSRB.

(b) The Issuer shall provide, in a timely manner, notice of any failure of the Issuer to provide the Annual Financial Information by the date specified in subsection (a) above to the MSRB.

Section 1.3. *Audited Financial Statements.* If not provided as part of Annual Financial Information by the date required by Section 1.2(a) hereof, the Issuer shall provide Audited Financial Statements, when and if available, to the MSRB.

Section 1.4. *Notice Events.* (a) If a Notice Event occurs, the Issuer shall provide, in a timely manner not in excess of ten (10) business days after the occurrence of such Notice Event, notice of such Notice Event to (i) the MSRB and (ii) the Trustee.

(b) Any such notice of a defeasance of 2024 A Bonds shall state whether the 2024 A Bonds have been escrowed to maturity or to an earlier redemption date and the timing of such maturity or redemption.

(c) The Trustee shall promptly advise the Issuer whenever, in the course of performing its duties as Trustee under the Resolution, the Trustee has actual notice of an occurrence which, if material, would require the Issuer to provide notice of a Notice Event hereunder; provided, however, that the failure of the Trustee so to advise the Issuer shall not constitute a breach by the Trustee of any of its duties and responsibilities under this Agreement or the Resolution.

(d) Each notice concerning a Notice Event relating to the 2024 A Bonds shall include the CUSIP numbers of the 2024 A Bonds to which such Notice Event relates or, if the Notice Event relates to all bond issues of the Issuer including the 2024 A Bonds, such notice need only include the CUSIP number of the Issuer.

Section 1.5. *Additional Disclosure Obligations.* The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer and that, under some circumstances, compliance with this Agreement without additional disclosures or other action may not fully discharge all duties and obligations of the Issuer under such laws.

Section 1.6. *Additional Information.* Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information or notice of Notice Event hereunder, in addition to that which is required by this Agreement. If the Issuer chooses to do so, the Issuer shall have no obligation under this Agreement to update such additional information or include it in any future Annual Financial Information or notice of a Notice Event hereunder.

Section 1.7. *No Previous Non-Compliance.* The Issuer represents that it has previously entered into written contracts or agreements of the type referenced in paragraph (b)(5)(i) of the Rule and is in compliance with such agreements.

ARTICLE II

Operating Rules

Section 2.1. *Reference to Other Filed Documents.* It shall be sufficient for purposes of Section 1.2 hereof if the Issuer provides Annual Financial Information by specific reference to documents (i) available to the public on the MSRB Internet Web site (currently, emma.msrb.org) or (ii) filed with the SEC. The provisions of this Section shall not apply to notices of Notice Events pursuant to Section 1.4 hereof.

Section 2.2. *Submission of Information.* Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

Section 2.3. *Dissemination Agents.* The Issuer may from time to time designate an agent to act on its behalf in providing or filing notices, documents and information as required of the Issuer under this Agreement, and revoke or modify any such designation.

Section 2.4. *Transmission of Notices, Documents and Information.* (a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB's Electronic Municipal Markets Access (EMMA) system, the current Internet Web address of which is emma.msrb.org.

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 2.5. *Fiscal Year.* (a) The Issuer's current fiscal year is January 1-December 31, and the Issuer shall promptly notify (i) the MSRB and (ii) the Trustee of each change in its fiscal year.

(b) Annual Financial Information shall be provided at least annually notwithstanding any fiscal year longer than 12 calendar months.

ARTICLE III

Effective Date, Termination, Amendment and Enforcement

Section 3.1. *Effective Date; Termination.* (a) This Agreement shall be effective upon the issuance of the 2024 A Bonds.

(b) The Issuer's and the Trustee's obligations under this Agreement shall terminate upon a legal defeasance of all of the 2024 A Bonds, prior redemption or payment in full of all of the 2024 A Bonds.

(c) This Agreement, or any provision hereof, shall be null and void in the event that the Issuer (1) delivers to the Trustee an opinion of Counsel, addressed to the Issuer and the Trustee, to the effect that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the 2024 A Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the MSRB.

Section 3.2. *Amendment.* (a) This Agreement may be amended, by written agreement of the parties, without the consent of the holders of the 2024 A Bonds (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Issuer or the type of business conducted thereby, (2) this Agreement as so amended would have complied with the requirements of the Rule as of the date of this Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Issuer shall have delivered to the Trustee an opinion of Counsel, addressed to the Issuer and the Trustee, to the same effect as set forth in clause (2) above, (4) either (i) the Issuer shall have delivered to the Trustee an opinion of Counsel or a determination by a person, in each case unaffiliated with the Issuer (such as bond counsel or the Trustee) and acceptable to the Issuer, addressed to the Issuer and the Trustee, to the effect that the amendment does not materially impair the interests of the holders of the 2024 A Bonds or (ii) the holders of the 2024 A Bonds consent to the amendment to this Agreement pursuant to the same procedures as are required for amendments to the Resolution with consent of holders of 2024 A Bonds pursuant to the Resolution as in effect at the time of the amendment, and (5) the Issuer shall have delivered copies of such opinion(s) and amendment to the MSRB.

(b) This Agreement may be amended, by written agreement of the parties, without the consent of the holders of the 2024 A Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Agreement which is applicable to this Agreement, (2) the Issuer shall have delivered to the Trustee an opinion of Counsel, addressed to the Issuer and Trustee, to the effect that performance by the Issuer and the Trustee under this Agreement as so amended will not result in a violation of the Rule or applicable regulatory guidance and (3) the Issuer shall have delivered copies of such opinion and amendment to the MSRB.

(c) This Agreement may be amended by written agreement of the parties, without the consent of the holders of the 2024 A Bonds, if all of the following conditions are satisfied: (1) the Issuer shall have delivered to the Trustee an opinion of Counsel, addressed to the Issuer and the Trustee, to the effect that the amendment is permitted by rule, order or other official pronouncement, or is consistent with any interpretive advice or no-action positions of the SEC or its staff, and (2) the Trustee shall have delivered copies of such opinion and amendment to the MSRB.

(d) To the extent any amendment to this Agreement results in a change in the type of financial information or operating data provided pursuant to this Agreement, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(e) If an amendment is made pursuant to Section 3.2(a) hereof to the accounting principles to be followed by the Issuer in preparing its financial statements, the Annual Financial Information for the fiscal year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

Section 3.3. *Benefit; Third-Party Beneficiaries; Enforcement.* (a) The provisions of this Agreement shall constitute a contract with and inure solely to the benefit of the holders from time to time of the 2024 A Bonds, except that beneficial owners of 2024 A Bonds shall be third-party beneficiaries of this Agreement. The provisions of this Agreement shall create no rights in any person or entity except as provided in this subsection (a) and in subsection (b) of this Section.

(b) The obligations of the Issuer to comply with the provisions of this Agreement shall be enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data and notices, by any holder of Outstanding 2024 A Bonds, or by the Trustee on behalf of the holders of Outstanding 2024 A Bonds, or (ii) in the case of challenges to the adequacy of the financial statements, financial information and operating data so provided, by the Trustee on behalf of the holders of Outstanding 2024 A Bonds; provided, however, that the Trustee shall not be required to take any enforcement action except at the direction of the holders of not less than a majority in aggregate principal amount of the 2024 A Bonds at the time Outstanding who shall have provided the Trustee with adequate security and indemnity. The holders' and the Trustee's rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Issuer's obligations under this Agreement. In consideration of the third-party beneficiary status of beneficial owners of 2024 A Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of 2024 A Bonds for purposes of this subsection (b).

(c) Any failure by the Issuer or the Trustee to perform in accordance with this Agreement shall not constitute a default or an Event of Default under the Resolution, and the rights and remedies provided by the Resolution upon the occurrence of a default or an Event of Default shall not apply to any such failure.

(d) This Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the State; provided, however, that to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

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ARTICLE IV

Definitions

Section 4.1. *Definitions.* The following terms used in this Agreement shall have the following respective meanings:

1. “Annual Financial Information” means, collectively, (I)(a) the following financial information and operating data contained in the Official Statement for each fiscal year of the Issuer, as follows: (i) net revenue and expense data of the type set forth in Part 2 of the Official Statement under the heading “CERTAIN FINANCIAL MATTERS — Historical Net Income”, specifically under the table “Summary Statements of Net Income”; (ii) outstanding indebtedness of the Issuer set forth in Part 2 of the Official Statement under the heading “CERTAIN FINANCIAL MATTERS — Outstanding Indebtedness”; and (iii) the information set forth in Part 2 of the Official Statement in the third paragraph under the heading “NEW YORK STATE CANAL CORPORATION”; (b) generation, energy purchases, and power and energy sales of the Authority set forth in Part 2 of the Official Statement under the heading “POWER SALES”, specifically under the table “Generation and Power Sales 2023”; and (c) capacity factors or availability factors information by unit; and (II) the information regarding amendments to this Agreement required pursuant to Sections 3.2(d) and (e) of this Agreement. Annual Financial Information shall include Audited Financial Statements, if available, or Unaudited Financial Statements.

The descriptions contained in Section 4.1(1) of financial information and operating data constituting Annual Financial Information are of general categories of financial information and operating data. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information. Any Annual Financial Information containing modified financial information or operating data shall explain, in narrative form, the reasons for the modification and the impact of the modification on the type of financial information or operating data being provided.

2. “Audited Financial Statements” means the annual financial statements, if any, of the Issuer, audited by such auditor as shall then be required or permitted by State law or the Resolution. Audited Financial Statements shall be prepared in accordance with GAAP; provided, however, that pursuant to Section 3.2(a) hereof, the Issuer may, if permitted by GAAP, modify the accounting principles to be followed in preparing its financial statements. The notice of any such modification required by Section 3.2(a) hereof shall include a reference to the specific provision describing such accounting principles, or other description thereof.

3. “Counsel” means Nixon Peabody LLP, Hardwick Law Firm LLC or other nationally recognized bond counsel or counsel expert in federal securities laws.

4. “Exchange Act” means the Securities Exchange Act of 1934, as amended and in effect on the date hereof.

5. “Financial Obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Exchange Act) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

6. “GAAP” means generally accepted accounting principles as prescribed from time to time for governmental units by the Governmental Accounting Standards Board, the Financial Accounting Standards Board, or any successor to the duties and responsibilities of either of them.

7. “MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Exchange Act, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

8. “Notice Event” means any of the following events with respect to the 2024 A Bonds, whether relating to the Issuer or otherwise:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2024 A Bonds or other material events affecting the tax status of the 2024 A Bonds;
- (vii) modifications to rights of Bondholders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the 2024 A Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

(xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional Trustee or the change of name of a Trustee, if material;

(xv) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the events identified in clauses (xv) and (xvi) and the definition of “Financial Obligation” in Section 2 hereof, reference to the Rule includes the guidance provided by the SEC in Release No. 34 83885 dated August 20, 2018 (the “2018 Release”), and any further amendments or written guidance provided by the SEC or its staff with respect to the amendments to the Rule effected by the 2018 Release.

9. “Official Statement” means the Official Statement dated September 24, 2024 of the Issuer relating to the 2024 A Bonds.

10. “Rule” means Rule 15c2-12 promulgated by the SEC under the Exchange Act (17 CFR Part 240, ss.240.15c2-12), as in effect on the date of this Agreement, including any official interpretations thereof issued either before or after the effective date of this Agreement which are applicable to this Agreement.

11. “SEC” means the United States Securities and Exchange Commission.

12. “State” means the State of New York.

13. “Unaudited Financial Statements” means the same as Audited Financial Statements, except that they shall not have been audited.

14. “Underwriters” means any of the underwriters of the 2024 A Bonds required to comply with the Rule in connection with the offering of the 2024 A Bonds.

ARTICLE V

Miscellaneous

Section 5.1. *Duties, Immunities and Liabilities of Trustee.* Article VII of the Resolution is hereby made applicable to this Agreement as if this Agreement were, solely for this purpose, contained in the Resolution.

Section 5.2. *Counterparts.* This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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IN WITNESS WHEREOF, the parties have each caused this Agreement to be executed by their duly authorized representatives all as of the date first above written.

POWER AUTHORITY OF THE STATE OF NEW YORK

By: _____
An Authorized Representative

THE BANK OF NEW YORK MELLON, as Trustee

By: _____
An Authorized Representative

LITIGATION

(a) 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 of New York (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 (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 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. The St. Regis MOU would require an Act of Congress to forever extinguish all Mohawk land claims prior to such a settlement becoming effective.

In June 2023, the Governor signed legislation (S.7566/A.7759) authorizing the State to execute a land claims settlement agreement consistent with a Memorandum of Understanding, dated May 28, 2014, between the State, the St. Regis Mohawk Tribe, St. Lawrence County, and the Authority (“St. Regis MOU”). The non-settling parties have now reported to the Court that they have resolved their differences and agreed to a framework of a settlement. The settlement must now be reduced to writing and the 2014 St. Regis MOU must be incorporated into it. Lastly, Federal Legislation is still necessary before the settlement takes effect.

(b) Helicopter Incident near Authority’s Transmission Lines in Beekmantown, NY

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

(c) *Other Matters 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.

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PART 2

of the

OFFICIAL STATEMENT

of the

POWER AUTHORITY OF THE STATE OF NEW YORK

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PART 2
of the
OFFICIAL STATEMENT
of the
POWER AUTHORITY OF THE STATE OF NEW YORK

\$450,000,000
REVENUE BONDS, SERIES 2024 A

THE AUTHORITY

Capitalized terms not otherwise defined in this Part 2 of the Official Statement have the meanings set forth in Part 1 of the Official Statement or APPENDIX 1 to this Part 2 of the Official Statement.

Introduction

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 entities in certain neighboring states. The Authority is a transmission-owning member of the New York Independent System Operator, Inc., a not-for-profit corporation that operates the State’s bulk electricity grid, administers the State’s wholesale electricity markets, and provides comprehensive reliability planning for the State’s bulk electricity system (“NYISO”). In addition to its role as a transmission owner in the NYISO, the Authority also engages in the sale and purchase of capacity, energy and ancillary services in the NYISO wholesale energy markets.

The Authority owns and/or operates five major generating facilities, seven small natural gas power plants (“SNGPPs”), including four dual units, and four small hydroelectric facilities with a total installed capacity of approximately 6,000 MW, and approximately 1,550 circuit miles of transmission lines, including major 765 kV, 345 kV, and 230kV 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. See “PART 2 — THE AUTHORITY’S FACILITIES”.

Management

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 current Trustees and the expiration dates of their respective terms are:

<u>Trustees</u>	<u>Term Expires</u>
John R. Koelmel, Chairman	May 6, 2021*
Michael J. Cusick	May 6, 2025
Bethaida González	May 6, 2024*
Cecily LaVigne Morris	June 22, 2027
Dennis G. Trainor	May 6, 2022*
Lewis M. Warren, Jr.	May 6, 2028
Laurie Wheelock	June 22, 2028

The members of the Board of Trustees also serve as board members of the Canal Corporation and NYPA Captive Insurance Company (the “Captive”).

Senior Management

The senior management staff of the Authority includes the following:

Justin E. Driscoll, President & Chief Executive Officer;
Joseph Kessler, Executive Vice President and Chief Operating Officer;
Lori Alesio, Executive Vice President and General Counsel;
Adam Barsky, Executive Vice President and Chief Financial Officer;
Daniella Piper, Executive Vice President and Chief Innovation Officer;
Robert Piascik, Senior Vice President and Chief Information and Technology Officer;
Yves E. Noel, Senior Vice President and Chief Strategy Officer;
Karina Saslow, Senior Vice President of Human Resources;
Alexis Harley, Senior Vice President and Chief Risk and Resiliency Officer;
Charles Imohiosen, Senior Vice President Communications and External Affairs;
Carley Hume, Chief of Staff and Vice President of Policy;
Sundeep Thakur, Vice President and Controller;
Karen Delince, Vice President and Corporate Secretary; and
Christina Reynolds, Vice President and Treasurer.

The position of Chief Internal Auditor is currently vacant. It is expected that the position will be filled by the end of 2024.

See “PART 2 — APPENDIX 3 — BACKGROUNDS OF THE BOARD OF TRUSTEES AND CERTAIN SENIOR MANAGEMENT STAFF.”

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,

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

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.

Canal Corporation

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 is the governing board of the Canal Corporation, and the Authority has assumed certain powers and duties relating to the New York State Canal System to be exercised through the Canal Corporation. The officers of the Authority also serve as officers of the Canal Corporation. See “PART 2 — NEW YORK STATE CANAL CORPORATION.”

The Captive

Legislation enacted in May 2022 (Chapter 193 of the Laws of 2022) amended the State Insurance Law to provide the Authority with the legal authority to form a captive insurance company. In May 2023, NYPA Captive Insurance Company (the “Captive”) was established as a wholly-owned subsidiary of the Authority to provide the Authority and its subsidiaries with a cost-effective alternative to commercial insurance.

The Board of Trustees is the governing board of the Captive. The following senior management and staff of the Authority also serve as officers of the Captive:

Justin E. Driscoll, Chief Executive Officer & President;
Adam Barsky, Chief Financial Officer;
Andrew Negro, Secretary; and
Jose Yandun, Treasurer.

See “PART 2 — THE CAPTIVE.”

Expanded Authority

The 2023-2024 Enacted State Budget amended the Act to, among other things, expand the Authority’s authority to plan, design, develop, finance, construct, own, operate, maintain and improve renewable energy generating projects (“Expanded Authority”) in support of the State’s renewable energy goals established in the New York State Climate Leadership and Community Protection Act, Chapter 106 of the Laws of 2019 (the “Climate Act”). The Expanded Authority grants the Authority the power to create one or more subsidiaries for the purpose of financing, developing and operating such renewable energy generating projects. The Authority has evaluated opportunities to pursue projects under the Expanded Authority and expects, subject to approval by the Board of Trustees, to cause the formation of a subsidiary under the New York Business Corporations Law (the “Renewables Corporation”) the shares of which will be wholly-owned by the Authority. The Renewables Corporation would be expected to utilize the Expanded Authority to carry out the Authority’s renewable energy business and strategy. The Authority expects that the activities of the Renewables Corporation, as a separate legal entity from the Authority, will be conducted in a manner such that the Authority is not expected to be responsible for the financial or other obligations of the Renewables Corporation; provided, that the Authority expects to (i) initially fund the Renewables Corporation with \$100 million from amounts available to be released from the lien on the Trust Estate created by the General Resolution, subject to the satisfaction of certain conditions, and used by the

Authority for any lawful corporate purposes, and (ii) provide certain services to the Renewables Corporation pursuant to a shared services agreement under which the Renewables Corporation will be required to reimburse the Authority for costs of providing services.

The Expanded Authority allows the Authority to pursue renewable generation projects like solar, wind, geothermal and battery storage, either on its own or with third parties, and created a mechanism to develop clean energy workforce training programs and a bill credit program for low- and medium-income residential electricity ratepayers that will be funded by new renewable generation projects. As part of Expanded Authority, the Authority plans to end fossil fuel-based electricity generation at its small natural gas power plants by 2030. The Authority will also consider, as appropriate, opportunities to use these sites to host renewable energy assets, including energy storage.

The 2023-2024 Enacted State Budget also amended the Act to (a) authorize the Authority to develop and implement, with the New York Public Service Commission (the “PSC”), the Renewable Energy Access and Community Help or “REACH” Program, that will enable low-income or moderate-income end-use electricity consumers in disadvantaged communities to receive bill credits derived from a portion of the revenues generated from new renewable energy generation projects developed or contracted for by the Authority to support the REACH Program; (b) direct the Authority to prepare a plan for ceasing electricity production at its small natural gas-fired power plants by December 31, 2030, and to cease electricity production by such date if certain conditions are satisfied; and (c) authorize the Authority to make available up to \$25 million annually to the New York State Department of Labor (“DOL”) to fund programs established or implemented by or within the DOL, including, but not limited to, the Office of Just Energy Transition and programs for workforce training and retraining to prepare workers for employment for work in the renewable energy field. The enactment also sunsets, as of August 1, 2023, the residential component of a residential/agricultural grower consumer electricity discount program created in 2012 in connection with the Recharge New York Power Program (“RNYPP”), which is valued at \$25 million annually. Based on the above legislative changes, there will be no material financial impact to the Authority from its contribution to the workforce training program. Changes made by these amendments do not affect the Authority’s previously existing statutory authority.

Information on legislation affecting the Authority is also available from many sources in the public domain, and potential purchasers of the 2024 A Bonds should obtain and review such information.

VISION2030

VISION2030 is the Authority’s 10-year strategic plan to lead the State’s transition to a carbon-free and economically vibrant future through customer partnerships, innovative energy solutions and supplying affordable, clean and reliable energy. It provides a roadmap for transforming the State’s energy infrastructure to a clean, reliable, and resilient system for the future. The Authority is committed to partnering with Statewide customers to ensure a cost-effective transition to clean energy while simultaneously moving the State ahead in meeting the climate leadership targets under the Climate Act.

VISION2030 focuses on five strategic priorities to achieve the clean energy goals of the Authority’s customers and the State, including: (1) partnering with customers to deliver clean and affordable energy solutions, (2) pioneering the path to decarbonization while ensuring reliability, resilience and affordability of the State’s electric grid, (3) facilitating the rapid development of transmission assets, (4) preserving the value of hydroelectric generation; and (5) adaptively reimagining the Canal System.

Since the original publication of VISION2030, the Authority has seen substantial changes in the global energy market. Given that the Authority is at the midpoint of the VISION2030 outlook, the Authority

has elected to undergo a comprehensive review of the Authority’s strategy and market conditions to refresh its course forward. The Authority is undertaking this review to ensure its approach remains in line with the evolving trends in the State, enabling it to stay competitive and deliver value to New Yorkers. A focus area being explored is driving the clean energy future through the expansion of our carbon-free power generation portfolio as outlined in “— Expanded Authority” above. The Authority expects to present the updated strategy by the end of 2024.

Sustainability

The Authority is committed to developing and implementing sustainable business practices that prioritize economic as well as environmental, social, and governance (collectively, “ESG”) outcomes that are expected to contribute to long-term value creation for the Authority and its stakeholders. To this end, the Authority has identified ESG as a Foundational Pillar of VISION2030. In 2020, guided by the Global Reporting Initiative Standards and the AA1000 Accountability Principles, the Authority conducted an ESG materiality assessment and identified 15 priority ESG issues. The Authority also developed and published the Authority and the Canal Corporation’s 2021-25 Sustainability Plan (the “2021-25 Sustainability Plan”), which outlines the goals, strategies, and initiatives that the Authority is committed to across each of the 15 priority ESG focus areas, which align with and support VISION2030 objectives.

In 2023, the Authority issued for the first time an integrated report for the 2022 calendar year that strove to apply global Integrated Reporting Framework principles and describe the progress made in achieving the priorities set by the Authority in VISION2030 and the goals outlined in the 2021-25 Sustainability Plan. In 2024 the Authority published its second annual Integrated Report (the “2023 Integrated Report”), which can be accessed at www.nypa.gov/-/media/nypa/documents/document-library/integrated-reports/2023-integrated-report.pdf. *Neither the 2023 Integrated Report nor any statement on the Authority’s website is included by specific cross-reference in this Official Statement.*

Authority and Canals 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 Counterparty Credit 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 million per occurrence. Finally, on June 15, 2024, the Captive underwrote a general liability deductible reimbursement line in the amount of \$4.8 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.

The Authority's and the Canal Corporation's insurance policies and coverage limits are outlined in "PART 2 — APPENDIX 2 — Summary of Insurance Policies" herein.

Labor Contracts

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.

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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.

The Authority reached an agreement with the International Brotherhood of Electrical Workers on a labor contract that covers over 550 represented employees at the Authority's Blenheim-Gilboa Pumped Storage Project, Frederick R. Clark Energy Center, Niagara Power Project (as hereinafter defined), and St. Lawrence/FDR Power Project (as hereinafter defined). This agreement, which is retroactive to April 1, 2022, runs through July 31, 2027.

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

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

The Authority reached an agreement with the Utility Workers Union of America on a labor contract that covers over 20 represented employees at Zeltmann. This agreement, which is retroactive to January 1, 2023, runs through April 30, 2028.

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

THE AUTHORITY'S FACILITIES

Generation

General Information

The Authority's net generation in 2023 by energy source was as follows: hydroelectric 84%, gas/oil/steam 14%, and gas turbine 2%. In 2023, this net generation represented approximately 22% of the electric energy used in the State. In 2020-2022, the Authority's net generation from hydroelectric was 88%, 88% and 85%, respectively, with the balance of net generation from gas/oil/steam and gas turbine. In 2022, with the adoption of GASB No. 87, the Authority's arrangement with Astoria Energy II ("AEII") no longer met the definition of a lease under the accounting rule. Therefore, as of the Authority's financial statements for the fiscal year ended December 31, 2022, the Authority no longer includes AEII in net station generation. The Authority also supplied a significant portion of its customers' needs through purchased power. Although the Authority's rates for power and energy vary depending upon a number of factors, overall, the Authority provides low-cost power and energy to its customers.

The Authority's generating facilities and certain related capacity and generation information are listed in the following table:

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Authority Generating Facilities

	Type	First Year of Operation	Nameplate Capacity (MW)	Net Dependable Capacity ⁽¹⁾ (MW)	Availability Factor (%)	2023 Net Generation ⁽²⁾ (GWh)
St. Lawrence-FDR	Hydro	1958	1,088	800	81.3	7,126.8
Niagara	Hydro	1961	3,100	2,675	83.6	15,473.7
Blenheim-Gilboa ⁽³⁾	Pumped Storage	1973	1,160	1,169	94.8	(146)
Flynn	Gas/Oil	1994	170	160	76.5	402
SNGPPs ⁽⁴⁾	Gas	2001	517	458	85.1	489.9
Small hydroelectric ⁽⁵⁾	Hydro	See note (5)	37	50	71.1	164.9
Zeltmann	Gas/Oil	2005	576	540	87.6	<u>3,412.9</u>
Totals						26,924.2

(1) Net Dependable Capacity as reported for the Winter Capability Period in the 2024 NYISO Load and Capability Data Report (Gold Book).

(2) Subject to NYISO adjustments.

(3) Net of pumping energy.

(4) Consists of 10 generating units located in the City and one located in the service territory of LIPA.

(5) Consists of the Ashokan facility, which was placed in service in 1982, and facilities at the Hinckley (Jarvis plant), Crescent and Vischer Ferry sites, which are part of Small Hydroelectric Development Project No. 1 and which went into commercial operation on July 1, 1991.

St. Lawrence-FDR (the “St. Lawrence-FDR Project”)

The St. Lawrence-FDR Project consists primarily of the Robert Moses Power Dam located in Massena, New York, and two additional dams. The construction and operation of the St. Lawrence-FDR Project were authorized by a 50-year license issued to the Authority by the Federal Power Commission (the “FPC”) effective as of November 1, 1953. Commercial production of power started in July 1958. All power is generated at the Robert Moses Power Dam, which contains sixteen hydro-turbine generators having an aggregate generator nameplate rating of 1,088 MW.

Effective in 1965, the Authority and Ontario Hydro entered into a Memorandum of Understanding containing provisions for coordinated operation of the two systems, for interchange of power and energy at the Niagara and St. Lawrence-FDR Project interconnections and for the use of generating equipment of either system by the other in order to make optimum use of all available water at all times. The agreement provides for the sale by either party to the other of various classes of power and energy, and continues in force from year to year, subject to termination by either party on not less than five years’ prior notice in writing.

By order issued October 23, 2003, a new 50-year license was issued to the Authority by FERC (see “- *St. Lawrence-FDR Relicensing*” below). Under the new license, an allocation of 34.5 MW of the plant’s output must be made available to the states of Vermont, Rhode Island, Connecticut, New Jersey, Pennsylvania and Ohio. A program for the life extension and modernization of the generation equipment at the St. Lawrence-FDR Project was completed in 2011. The Authority dedicates 490 MW of power to the Preservation Power program, of which Alcoa is the largest customer and receives 240 MW through March 31, 2026.

For a discussion of litigation commenced by Native American tribes claiming ownership of various land within the boundary of the St. Lawrence-FDR Project, see “PART 1 — APPENDIX D — Litigation — Item (a).”

St. Lawrence-FDR Relicensing

In 2003, FERC approved the Comprehensive Relicensing Settlement Agreement (the “CRSA”) reached by the Authority and numerous parties and issued the Authority a new 50-year license (the “New License”) for the St. Lawrence-FDR Project. The CRSA incorporated several agreements with particular groups of stakeholders or targeting specific resource areas. Among these is the St. Lawrence-FDR Power Project, No. 2000 Relicensing Agreement (the “LGTFSA”) between the Authority and the Local Government Task Force (the “LGTF”), which provides for a review of the LGTFSA every ten years to discuss issues not contemplated at the time of relicensing in 2003. Following the first review which commenced in December 2013, the Authority and the LGTF entered into an agreement, effective May 4, 2015 (the “LGTF 10-Year Review Agreement”), in which the Authority’s Trustees authorized up to \$45 million over 10 years to be spent on certain actions to: (1) fund an economic development strategic marketing study (the “Marketing Study”); (2) temporarily reduce electricity costs for certain farms and businesses (the “Discount Program”); (3) initiate an energy efficiency and renewable energy program for the LGTF communities; and (4) enhance certain recreational facilities in the LGTF communities.

In 2016, the Authority’s Trustees approved a proposal to terminate the Discount Program early and repurpose funding to be used to support a collaborative marketing effort between the Authority and North Country communities through the St. Lawrence County Economic Development Study Advisory Board created in connection with the Marketing Study at the rate of \$2 million per year for five years (\$10 million total) commencing in 2017. In 2017, the Authority’s Trustees approved: (1) a new temporary business incentive program consisting of a monetary discount or rebate that would be payable to eligible private business applicants who agree to establish new business operations in certain North Country counties (“Business Incentive Discount Program”); and (2) the repurposing of funds previously approved for the marketing effort to include funding for the Business Incentive Discount Program. Funding repurposed for the marketing effort, including the Business Incentive Discount Program, would not exceed a total of \$10 million.

As of June 30, 2024, the Authority has spent approximately \$42 million of the \$45 million authorized by the Board of Trustees for the purpose of implementing the commitments in the LGTF 10-Year Review Agreement. As of June 30, 2024, the balance in the recorded liability associated with the St. Lawrence-FDR Project relicensing on the consolidated statement of net position is \$31 million (\$3 million in current and \$29 million in other noncurrent liabilities).

Negotiations for a second LGTF agreement as a result of a new 10-year review are in process.

Niagara (the “Niagara Project”)

The Niagara Project consists of a water intake, waterways, a generating plant (the “Robert Moses Niagara Power Plant”), and the Lewiston Pump-Generating Plant. It is located at Lewiston, New York, and was constructed to implement a 1950 treaty between the United States and Canada. Power was first generated in January 1961, and the final generator went into commercial operation in October 1962.

The Robert Moses Niagara Power Plant contains 13 hydro-turbine generators, with a generator nameplate rating totaling 2,860 MW, and the Lewiston Pump-Generating Plant contains 12 hydro-turbine motor-generators, with a nameplate rating totaling 240 MW.

The Board of Trustees approved a \$460 million Life Extension and Modernization Program at the Niagara Project’s Lewiston Pump-Generating Plant (the “Lewiston LEM Program”), of which \$396 million of expenditures have been spent as of June 30, 2024. The work to be done includes a major overhaul of the plant’s 12 pump turbine generator units. The Lewiston LEM Program will increase pump and turbine

efficiency, operating efficiency, and the peaking capacity of the overall Niagara Project. The Authority filed an application with FERC for a non-capacity license amendment in connection with the program. The amendment was approved with a FERC order issued in 2012. The Authority intends to finance the Lewiston LEM Program with internal funds and proceeds from debt obligations to be issued by the Authority. The unit work began in late 2012 and is on-going, with the final unit expected to be completed in 2025.

The Board of Trustees also approved a \$1.1 billion NextGen Niagara program, of which \$304 million was budgeted in the current 2024–2027 four-year capital plan. As of June 30, 2024, \$173 million of expenditures have been spent. The NextGen Niagara program replaces, overhauls, and/or upgrades the thirteen (13) generating units and their associated auxiliary power generating equipment. Improvements will include replacing aging equipment with the latest machinery that reflects advanced digital technologies for optimizing the hydroelectric project’s performance. The program is comprised of four main projects: Controls Upgrade, Mechanical/Electrical Overhauls, Penstock Platform, and 630-ton Gantry Crane Replacement.

Niagara Relicensing

By order issued March 15, 2007, FERC issued the Authority a new 50-year license for the Niagara Project effective September 1, 2007. In doing so, FERC approved six relicensing settlement agreements entered into by the Authority with various public and private entities. In 2007, the Authority had estimated that the capital cost associated with the relicensing of the Niagara Project would be approximately \$495 million, of which \$464 million has been disbursed as of June 30, 2024. This estimate does not include the value of the power allocations and operation and maintenance expenses associated with several habitat and recreational elements of the settlement agreements. As of June 30, 2024, the balance in the recorded liability associated with the Niagara Project relicensing on the consolidated statement of net position is \$195 million (\$19 million in current and \$176 million in other noncurrent liabilities).

The Authority executed the Relicensing Settlement Agreement Addressing New License Terms and Conditions (“Settlement Agreement”) entered into by several parties to the relicensing of the Niagara Project, including the New York State Office of Parks, Recreation and Historic Preservation (“OPRHP”). The Settlement Agreement provides, among other things, for the establishment of a Relicensing Settlement Agreement State Parks Greenway Fund, which is to be funded by the Authority in the amount of \$3 million per year to OPRHP for the term of the 50-year license. In 2012 and 2017, OPRHP requested that the Authority accelerate such payments by making two lump sum payments of approximately \$25 million each to pay for authorized projects. To make the lump sum payments, the Authority issued (a) \$25 million in aggregate principal amount of the Authority’s Subordinated Notes, Series 2012 (the “2012 Subordinated Notes”) in 2012 and (b) \$25 million in aggregate principal amount of the Authority’s Subordinated Notes, Series 2017 (the “2017 Subordinated Notes” and, together with the 2012 Subordinated Notes, the “Subordinated Notes”). The proceeds of those subordinated note issuances were made available to OPRHP. As of June 30, 2024, there were \$920,000 of 2012 Subordinated Notes outstanding and \$650,000 of 2017 Subordinated Notes outstanding.

Blenheim-Gilboa

The Blenheim-Gilboa Pumped Storage Power Project (the “Blenheim-Gilboa Project”) is located on the Schoharie Creek in the towns of Blenheim and Gilboa, Schoharie County, New York, and was built pursuant to a 50-year license issued by the FPC effective May 1, 1969. The Blenheim-Gilboa Project was first operated in 1973 and consists primarily of lower and upper reservoirs and a pump-generating power plant containing four reversible hydraulic pump-turbines. A life extension and modernization program was completed in 2010 that increased plant capacity by 120 MW, bringing the nameplate rating of the Blenheim-Gilboa Project to 1,160 MW.

Blenheim-Gilboa Relicensing

FERC issued a new 50-year operating license, effective May 1, 2019, to the Authority for the Blenheim-Gilboa Project. In May 2019, the Board of Trustees accepted the new license and approved the settlement package with state and federal resource agencies, the towns of Gilboa and Blenheim, and Schoharie County. The Board of Trustees also authorized \$37.1 million in capital expenditures for the period from 2019 through 2069 for all compliance, implementation and settlement activities. Through June 30, 2024, the Authority has spent approximately \$10 million. In addition, the Authority established and funded a Recreation Fund in the amount of \$4 million (total commitment under the settlement package is \$6 million) of which \$4 million has been disbursed and an Ecological Fund of \$2 million (total commitment under the settlement package is \$4 million) of which \$1 million has been disbursed. As of June 30, 2024, the balance in the recorded liability associated with the Blenheim-Gilboa Project relicensing on the consolidated statement of net position is \$20 million (\$1 million in current and \$19 million in other noncurrent liabilities).

Zeltmann Combined-Cycle Electric-Generating Plant

To serve its major governmental customers in the City (the “NYC Governmental Customers”) and to comply with the NYISO in-City capacity requirement in the City area (see “PART 2 — NEW YORK INDEPENDENT SYSTEM OPERATOR — NYISO Capacity Requirements Matters”), the Authority constructed a 500-MW combined-cycle natural-gas-and-distillate-fueled power plant in Queens, New York, the Eugene W. Zeltmann Power Project (“Zeltmann”). Zeltmann entered into commercial operation in December 2005.

In 2017 and 2018, the Authority executed new supplemental long-term electricity supply agreements (“Supplemental LTAs”) with its 11 NYC Governmental Customers for a term of 10 years. Under the Supplemental LTAs, fixed costs for the Authority’s services as well as the Zeltmann plant were contractually set for each customer, and the fixed agreed amounts are recovered from the customers regardless of their load usage. Variable costs, including fuel, purchased power and NYISO related costs, are to be set on a pro-forma cost of service basis and reconciled to actuals as a pass-through to each customer via an energy charge adjustment. In addition, customers received the revenues from the plant which are net against their costs. The fixed costs for the plant were \$97 million for the first five years of the agreement. For years 2023-2027 the fixed costs were reduced to \$84 million, which was part of the negotiations outlined in the agreement after the first five years.

Small Natural Gas Power Plants (SNGPPs)

The Authority owns and operates 7 SNGPPs, including 4 dual units, located at six sites in the City and one site on Long Island. These generation units meet capacity and energy needs during system peak demand. The aggregate capacity of these units is 460 MWs.

As a result of the settlement of litigation relating to certain of the SNGPPs, the Authority has agreed under a settlement agreement to cease operations at one of the SNGPP sites (Vernon Boulevard, with two units), under certain conditions including if the Mayor of the City directs such cessation. No such cessation has occurred. For more information on the settlement litigation relating to one SNGPP site, see the 2024 Mid-Year Financial Statements, “Note 15(c) - Commitments and Contingencies – Small Clean Power Plants” on page 38.

On May 3, 2023, Chapter 56 of the Laws of 2023 was enacted as a part of the 2023-2024 Enacted State Budget. Among other things, the law directed the Authority to publish, within two years of enactment, a plan to deactivate the Authority’s SNGPPs. The enactment requires the Authority to deactivate the

SNGPPs by the end of 2030 subject to the plants not being needed for emergency power, power system reliability as determined by NYISO and providing that the Authority may retain plants if emissions for other generation would cause more than a de minimis increase in emissions of carbon dioxide or other air pollutants.

As part of the Authority's strategy to meet the legislative mandate, the Authority is in negotiations with battery developers for three SNGPP sites. Furthermore, the Authority recently issued a request for information for the Kent Avenue SNGPP site, to explore opportunities for best use of this site in alignment with the Authority's strategic objectives.

Richard M. Flynn Plant ("Flynn")

The Flynn project consists of a combined-cycle, natural-gas-and-distillate-fueled electric-generating plant and associated facilities, including a 102-MW combustion turbine-generator, a 56-MW steam turbine-generator, and a heat-recovery steam generator. The plant was built on a site at Holtsville in Suffolk County, New York. The Flynn project began commercial operation in May 1994. The Flynn plant has a nameplate rating of 170 MW. Currently, Flynn is operating as a merchant facility (see "PART 2 — POWER SALES — Flynn"). Through an agreement with LIPA, the Authority is compensated for all capacity provided through December 31, 2026.

Small Hydroelectric Facilities

Ashokan. Ashokan is a small hydroelectric facility with a nameplate rating of 4.6 MW, consisting of the addition of hydroelectric generating equipment to the headworks of the Catskill Aqueduct at Ashokan Reservoir, in the Township of Olive, near Kingston, in Ulster County, New York.

Small Hydroelectric Development Project No. 1. The project facilities have a combined nameplate rating of 32.2 MW and are located at the following sites in the State: Crescent Dam on the Mohawk River in Albany and Saratoga Counties; Vischer Ferry Dam on the Mohawk River in Saratoga and Schenectady Counties; and Hinckley Dam on West Canada Creek, near the Hamlet of Hinckley in Oneida and Herkimer Counties. The 40-year FERC licenses for these facilities expired on May 31, 2024, May 31, 2024, and July 31, 2022, respectively. The Authority has submitted timely applications to relicense the projects. The terms of the interim annual licenses are the same as the previous licenses, however, the terms of long-term relicensing may differ.

Transmission

The Authority's Transmission System

The Authority owns and maintains more than 1,550 circuit miles of high voltage (115 kV - 765 kV) transmission lines in the State, with NYISO operating the transmission system, including assets owned by the Authority. These transmission lines include a 765 kV line south from the Canadian border to Marcy, New York; two 345 kV lines east from the Canadian border to the Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid") Edic Substation in central New York; two 345 kV lines from Marcy, New York, connecting to other utility substations in southeastern New York; three 345 kV lines from the Blenheim-Gilboa Project extending to substations near Athens, New Scotland, and Delhi, respectively; two 230 kV lines extending east from the St. Lawrence Project to Plattsburgh, New York, and to the Vermont border; a 345 kV line from the Fitzpatrick Nuclear Power Plant near Oswego, New York to the National Grid substation in Edic, New York; two 230 kV lines extending south from the St. Lawrence Project to Belfort, New York; a single circuit underground and underwater line extending across Long Island Sound between the substation of the Consolidated Edison Company of New York, Inc. ("ConEd") in Westchester

County and LIPA's substation in Nassau County, New York; several 115 kV lines connected directly to large industrial customers and other shorter lines connecting the Authority's generating facilities to the transmission grid. In total, the Authority owns approximately 37% of the circuit miles of high voltage transmission in the State, and 14% of all circuit miles of transmission in the State.

Long Island Sound Cable

The Authority's Long Island Sound Cable (the "Cable") consists of a 345-kV underground and underwater transmission cable, extending for approximately 26.6 miles from the Sprain Brook substation owned by Consolidated Edison Company of New York, Inc. ("Con Edison") in Westchester County, New York, to the East Garden City substation owned by LIPA in Nassau County, New York, and includes an underwater crossing of approximately 7.9 miles of Long Island Sound. Installation of the Cable was completed in 1991. The Authority and LIPA were originally parties to the Sound Cable Facilities and Marketing Agreement (the "Cable Agreement"), which was executed for the purposes of providing lower cost energy from upstate New York and Canadian sources to consumers on Long Island and of increasing the reliability of their electric supply by strengthening interconnection capability between Long Island and the rest of the State. The Cable Agreement provided that LIPA would reimburse the Authority for the costs it incurs in connection with the Cable, including but not limited to debt service, reserves, and operation and maintenance expenses, in return for the use of the capacity of the project. LIPA was initially allocated the full capacity of the Cable and to the extent that the Authority has allocated capacity to other parties, LIPA's payment obligations were proportionately reduced, with such other parties making payments pursuant to applicable rates. With LIPA's debt obligation fulfilled, the Cable Agreement was terminated in May 2023, with all future costs recoverable via the ATRR (as hereinafter defined). Operation and maintenance of the Long Island Sound Cable facilities are now performed by outside contractors on behalf of the Authority.

Hudson Transmission Partners, LLC Project

In 2011, the Board of Trustees authorized Authority staff to enter into an agreement with Hudson Transmission Partners, LLC ("HTP") for the purchase of capacity to meet the long-term requirements of the NYC Governmental Customers and to improve the transmission infrastructure serving the City through the transmission rights associated with HTP's transmission line (the "Line"), extending from Ridgefield, New Jersey in the PJM Interconnection, LLC ("PJM") transmission system, to Con Edison's West 49th Street substation in the New York Control Area. Specifically, the Authority executed a Firm Transmission Capacity Purchase Agreement ("FTCPA") with HTP under which the Authority gained the entitlement to 75% of the Line's 660 MW capacity, or 495 MW, for 20 years. In 2017, the Authority and HTP amended the FTCPA to, among other changes, (a) create a mechanism for HTP to relinquish its Firm Transmission Withdrawal Rights ("FTWRs") as discussed below, and (b) increase the Authority's portion of the Line's capacity to 87.12%, or 575 MW, at a monthly capacity charge rate that represents a decrease in the unit price (on a \$/MW-month basis) paid to HTP in the original FTCPA.

The Authority's payment obligations under the FTCPA include capacity payments, interconnection and transmission upgrades, and Regional Transmission Expansion Plan ("RTEP")/Transmission Enhancement Charges ("TEC") allocated to HTP in accordance with the PJM tariff. Interconnection and transmission upgrades were completed in 2018 at a total cost to the Authority of \$335 million. Part of the RTEP charges that were imposed upon HTP are subject to further legal process, which is discussed in more detail below.

It is estimated that the revenues derived from the Authority's rights under the FTCPA will not be sufficient to fully cover the Authority's costs under the FTCPA during the 20-year term of the FTCPA. As of June 30, 2024, the Authority estimated that its under-recovery of costs for the Line could be in the range of approximately \$78 million to \$108 million per year over the period from 2025-2028. The under-recovery

estimates were based on projections of the capacity payment obligations, the costs of interconnection and transmission upgrades and energy revenues.

The Authority's obligations under the FTCPA include payment of the RTEP charges allocated to HTP by PJM. From June 2013 through June 2024, the Authority paid approximately \$168 million in RTEP charges for the Line. Effective 2018, HTP relinquished the FTWRs held by HTP on the Line that were the basis for a significant share of the Authority's RTEP allocations. PJM's annual RTEP cost allocation update for 2018 eliminated the Authority's obligation in 2018 and beyond to pay RTEP charges related to the Bergen Linden Corridor ("BLC") project, which accounted for the bulk of the projected RTEP allocations to HTP. Though interested parties in New Jersey sought reversal of this determination, it was upheld by FERC and the D.C. Circuit Court of Appeals.

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

While PJM had determined that the Authority had no RTEP payment responsibility starting in 2018 because of HTP's FTWR relinquishment, in 2020, FERC reversed PJM's determination over the Authority's objections, and held that a portion of the RTEP charges assignable to the HTP facility dating back to 2018 had to be reinstated as they were unrelated to whether HTP had retained FTWRs. These reinstated RTEP charges were for older projects and not the BLC project. FERC authorized PJM to begin collection for the back periods starting in August 2020. The Authority now accrues approximately \$900,000 per month in RTEP charges, but this amount will trend downward as these facilities are depreciated. Overall, these RTEP charges are estimated to cost \$130 million over 40 years. The Authority contested the 2020 FERC order and appealed it to the D.C. Circuit Court of Appeals. The Authority's appeal was rejected by the D.C. Circuit on July 26, 2024. The Authority determined that it would not seek rehearing or appeal of the D.C. Circuit decision, thus closing the matter. Accordingly, the Authority's ongoing RTEP payment obligations remain in place for the term of FTCPA, and would continue if the Authority were to take ownership of the HTP facility after the FTCPA term. These payment obligations would cease if the Authority chose not to exercise any rights over the HTP facility after the FTCPA term ends in June 2033.

Fuel Supply

Flynn, Zeltmann, SNGPPs, and Astoria Energy II Plant

The Authority endeavors to purchase sufficient amounts of fuel for Flynn, Zeltmann, the SNGPPs, and the Astoria Energy II plant to meet the fuel requirements of these plants. Natural gas is secured for these plants as required while the Authority maintains adequate oil inventory at Zeltmann, Flynn, and the Astoria Energy II plant to supplement natural gas consumption. Fuel purchases are effectuated in the spot market and, at times, through longer term supply contracts for natural gas.

The Authority has one interstate service agreement for firm natural gas transportation from Pennsylvania to the local distribution companies (each, a "LDC") that serve the Flynn plant, the SNGPPs, Zeltmann, and the Astoria Energy II plant. The Authority also purchases natural gas from various suppliers and marketers inclusive of delivery to the interconnections between interstate pipelines and the LDCs.

Power Purchase Agreements

The Authority executed Power Purchase Agreements (“PPAs”) with Ameresco, Inc. (the “Developer”), requiring the Authority to pay the Developer for electricity received from at least 50 photovoltaic solar electric generating facilities, including electric battery energy storage and recover the payments from The City of New York (the “Purchaser”), acting through its Department of Citywide Administrative Services (“DCAS”) via a power sales contract as an addendum to the Supplemental Long Term Power Supply Agreement. In the case of non-payment from DCAS, there is a cure period of one year, during which the Authority will make the payments to the Developer. If there is no cure, the Developer has no claim to the Authority so long as the Authority or Developer is pursuing recovery from DCAS under the terms of the power sales contract. The total value of the PPAs with the Developer is \$320 million with an initial term of twenty (20) years from Commercial Operation Date for each facility. It is expected there will be a limited assignment of the Authority’s obligations to purchase the power under the PPAs’ to a third party to facilitate an electric prepayment transaction.

The Authority has also entered into various other PPAs with developers that require the Authority to pay the developers for the electricity received from renewable facilities and recover the payments from the New York Convention Center Operating Corporation, the County of Westchester, and the Port Authority of New York and New Jersey (the “Port Authority”) via power sales contracts. The annualized amount for the PPA executed on behalf of New York Convention Center Operating Corporation is \$2.7 million with a 25-year term, on behalf of Port Authority is \$ 1 million with a 25-year term and on behalf of County of Westchester is \$0.4 million with a 20-year term.

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

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

Purchased Power

The Authority purchased power in the amount of \$605 million in 2023 in the open market. The entire cost for such purchased power was passed through to its customers. Power purchased in the open market is a function of customer demand and, as such, varies month to month. The Authority is under no obligation to purchase power unless customer demands require such purchases and the entire cost of such purchased power is billed to such customers on a monthly basis. In the event of failure of the Authority to receive monthly payment from a customer for any monthly purchase, the Authority is not obligated to make any further purchases.

POWER SALES

A summary of the Authority's generation, energy purchases, and power and energy sales for 2023 is set forth below:

Generation and Power Sales 2023 (Megawatt Hours and Dollars in Thousands) (Accrual Basis)

	<u>MWh</u>		
Authority Generation and Purchases:			
Net Station Generation ⁽¹⁾	26,924		
Purchases from the NYISO, utilities and others	12,891		
Losses and unaccounted for	<u>(305)</u>		
Total Available	39,510		
	<u>MWh</u>	Revenues From Power and Energy Sales⁽²⁾	% of Total Revenues
Sold to:			
Commercial and industrial customers	6,652	\$213,604	7.1%
Municipal, other public and cooperative customers ⁽³⁾	6,680	177,802	5.9%
Sales to utilities and the NYISO for resale ⁽⁴⁾	<u>6,326</u>	<u>804,120</u>	<u>26.9%</u>
Subtotal Sales	19,658	1,195,526	39.9%
Pass-Through customer sale ⁽⁵⁾	<u>19,852</u>	<u>1,797,979</u>	<u>60.1%</u>
Total Sales	39,510	\$2,993,505	100.0%
	<u>MWh</u>		<u>% of Total</u>
Authority Generation by Fuel Source:			
Hydroelectric	22,619		84.0%
Oil/Gas/Steam	3,815		14.2%
Gas Turbines	<u>490</u>		<u>1.8%</u>
	26,924		100.0%

- (1) In 2022, with the adoption of GASB No. 87, the Authority's arrangement with AEII no longer met the definition of a lease under the accounting rule. Therefore, as of the Authority's financial statements for the fiscal year ended December 31, 2022, the Authority no longer includes AEII in net station generation.
- (2) Includes power sales, transmission, transportation & delivery, excludes non-utility revenue of \$40,980,080.
- (3) Includes sales to 47 municipal systems, 4 rural cooperatives, and more than 100 public agencies in the State and to 7 neighboring states and 9 host communities.
- (4) Includes sales to the 6 investor-owned utilities in the State, LIPA, and the NYISO. Sales to the NYISO amounted to 5,809,812 MWh excluding pass-through customers. Portions were designated for resale to residential and farm customers or to businesses and not-for-profit customers in the State.
- (5) The pass-through customer sales, reflected in the revenue, also includes costs for purchase power, transportation delivery, and fuel. It also includes the costs associated with producing energy related to the operation of AEII and Zeltmann plants (NYC customers pay negotiated fixed costs and receive net revenues from Zeltmann plant).

The electric power and energy of the Authority is sold principally pursuant to contracts and agreements described below. In addition to these sales, the Authority has executed short-term supply agreements that provide for sales by the Authority of power and energy for periods of short duration (less than three years) on terms and conditions mutually agreeable to the Authority and customers. Such sales are only transacted after all firm commitments are satisfied. The Authority also offers its generation and buys energy and capacity in the markets administered by the NYISO.

Pursuant to agreements with its Southeastern New York governmental customers (“SENY Governmental Customers”), the Authority has assumed the load growth responsibility for such customers in the City and Westchester County (see “Marketing Issues and Development,” below). In addition, the Authority serves the full requirements of certain municipal electric system and rural electric cooperative system customers.

A majority of contracts for the sale, transmission and distribution of power and energy generated by the Niagara and St. Lawrence-FDR Projects and by other projects (i) to provide an adequate supply of energy for optimum utilization of its hydroelectric projects, (ii) to attract and expand high load factor industrial customers, (iii) to provide for the additional needs of the Authority’s municipal electric and rural electric cooperative customers, and (iv) to assist in maintaining an adequate, dependable electric power supply for the State, are subject to the approval process specified in Section 1009 of the Act. Such approval process requires, in addition to agreement between the Authority and the other contracting parties, (i) submission of the contract to the Governor and representatives of the State Senate and Assembly, (ii) public hearings and further review and, if deemed necessary, renegotiation of the contract by the Authority, and (iii) approval of the Governor.

The total power and energy sales of \$2.9 billion for year ended December 2023 include pass-through costs of \$1.79 billion as reflected in the revenue. These pass-through costs include 91% transportation and delivery (\$1 billion), 100% purchase power cost (\$605 million), and 100% of fuel (\$176 million). The total power and energy sales for 2020-2022 were \$2.2 billion, \$2.7 billion and \$3.9 billion respectively.

The Authority is under no obligation to purchase power unless customer demands require such purchases and the entire cost of such purchased power is billed to such customers on a monthly basis. Once incurred, the entire cost is recovered over the monthly billing cycle. The risk to the Authority of non-recovery of the costs is mitigated in that in the event of failure to receive payment from a customer for any monthly purchase, the Authority is not obligated to make any further purchases. The pass-through costs, included in the purchase power above, and also reflected in the operating revenue, includes cost for AEII and Zeltmann. For Zeltmann, City customers pay negotiated fixed costs of \$84 million and receive net revenues from the plant. All pass-through costs are not related to generating facilities. No purchase was made under any PPA except for AEII as reported in the year end 2023 audited financial report. The pass-through of the costs is primarily to governmental customers (e.g. SENY Governmental Customers).

Customers

The customers served by the Authority and the rates paid by such customers vary by the customer or customer class and the source of the power and energy used to serve the customer. The Authority currently serves approximately 1,150 customers. The following is a brief description of the Authority’s facilities that serve customers:

- (1) *St. Lawrence-FDR and Niagara Customers.* Power and energy from the St. Lawrence-FDR and Niagara hydroelectric facilities is sold primarily to municipal electric systems, rural electric cooperatives, businesses and industrial customers in the State, certain public bodies in the State, and some public entities in states of Pennsylvania, Vermont, Ohio, Connecticut, Massachusetts, New Jersey and Rhode Island, and to provide services in the NYISO markets.
- (2) *Blenheim-Gilboa Customers.* The Blenheim-Gilboa project currently operates as a merchant plant, with power and energy not committed to any customer, but provide services in the NYISO markets generally at the market-clearing price.

- (3) *Eugene W. Zeltmann Power Project Customers.* The energy generated by the Zeltmann plant is sold into the NYISO market and the proceeds are used to offset the cost associated with the production of energy and capacity from the plant. SENY Governmental Customers pay negotiated fixed costs of \$84 million for the next three years. The revenue generated by the Zeltmann plant offsets these costs to the SENY Governmental Customers.
- (4) *Small Natural Gas Power Plants (SNGPPs).* The power and energy from these plants is sold into the NYISO markets.
- (5) *Certain Purchased Power and Energy Customers.* The Authority also sells power and energy purchased in the capacity and energy markets to a variety of customers, including businesses and industrial customers in the State, the United States Department of Energy (“DOE”), New York investor-owned electric utilities, municipal electric systems, rural electric cooperatives, and various municipal utility service agencies.
- (6) *Flynn Customers.* The power and energy of Flynn is sold into the NYISO markets as merchant generation and is offered to authorized counterparties. Through an agreement with the Long Island Power Authority (“LIPA”), the Authority is compensated for all capacity through December 31, 2026.
- (7) *Small Hydroelectric Facilities (“Small Hydro”) Customers.* A portion of the power and energy of small hydro facilities is used for the benefit of Westchester County governmental customers. The remaining power and energy is sold into the NYISO markets.

Top Customers

The top ten customers of the Authority receiving direct allocations from the facilities noted above represent 6.3% of the Authority’s operating total revenue for fiscal year 2023. These top customers, along with the termination dates of their respective contracts with the Authority, and the percentage of the Authority’s revenues from such customers, are presented in the table below:

<u>Customer</u>	<u>% of Total Operating Revenue</u>	<u>Contract Termination Date</u>
1. Alcoa ⁽¹⁾	2.7%	3/31/2026
2. LIPA c/o PSEG-LI00	0.7%	2/29/2032
3. City of Cleveland	0.6%	4/30/2032
4. Olin Corporation	0.5%	12/31/2028
5. Globalfoundries U.S. Inc	0.3%	12/31/2028
6. Linde Inc. - Niagara	0.3%	12/31/2028
7. Mass. Dept of Telecommunications & Energy	0.3%	4/30/2032
8. National Grid	0.3%	12/31/2025
9. Allegheny Electric Cooperative Inc	0.3%	4/30/2032
10. New York State Electric & Gas Corp.	0.3%	12/31/2025

(1) Alcoa revenue includes 20% of pass-through cost which, if not recovered from Alcoa, will not be incurred by the Authority.

Marketing Issues and Development

The bulk electric market in the State has experienced significant changes with the advent of a competitive marketplace and the creation of the NYISO. As a major participant in the State’s wholesale

energy and capacity market, the Authority has been affected by these changes. With increased focus on customer needs, the Authority has initiated marketing programs and taken other actions to retain and provide value to its various customers.

(1) *Governmental Customers in the New York Metropolitan Area and Southeastern New York.* For a discussion of the agreements relating to the NYC Governmental Customers and its other SENY Governmental Customers, see the 2024 Mid-Year Financial Statements, “Note 15(b) – Governmental Customers in the New York City Metropolitan Area” on pages 36-37. In 2017 and 2018, the Authority executed new supplemental long-term electricity supply agreements (the “Supplemental LTAs”) with its 11 NYC Governmental Customers. Under the Supplemental LTAs, the NYC Governmental Customers agreed to purchase their electricity from the Authority through December 31, 2027, with the NYC Governmental Customers having the right to (1) terminate at any time upon at least 12 months’ notice or (2) terminate effective December 31, 2022 upon at least 6 months’ notice. Under the Supplemental LTAs, fixed costs were set for each customer for the first five years of the agreement and were renegotiated in 2022 for the remaining five years of the agreement. Variable costs, including fuel, purchased power and NYISO related costs, are to be set on a pro-forma cost of service basis and reconciled to actuals as a pass-through to each customer via an energy charge adjustment. The economic value of the Zeltmann and AE II plants helps to support the NYC Governmental Customers. Additionally, NYPA retains rights to grandfathered and historic fixed priced transmission congestion contracts on behalf of the SENY customers, which helps to offset the cost of the energy purchased. For years 2023-2027, to provide better price certainty, the Authority is offering an annual fixed price energy purchase option to the NYC Governmental Customers.

(2) *Certain Power Programs.* The Act and the New York Economic Development Law (“EDL”) (i) allow for certain of the Authority’s power-based economic development programs or (ii) create additional economic development programs in regard to several of the Authority’s economic development power programs provided to certain Authority customers. A summary of such programs is set forth below.

(a) *Industrial Power Programs*

The Authority is authorized under the Act and the EDL to purchase power in the marketplace and to use certain other Authority resources to serve economic development power programs, including the High Load Factor Power program, which provides electricity to energy-intensive manufacturers throughout the State. The Market Plus Power program is another market-based program available to existing Authority customers as well as municipal and government entities throughout the state. The Authority has the ability through its Expanded Authority to serve up to 400 MW of market-based power under this program. Power supplied under these programs is hereinafter referred to as “Industrial Power.”

(b) *Replacement Power and Expansion Power*

The Act provides for the Replacement Power (“RP”) program and ensures the continued availability of low-cost hydroelectric power from the Niagara Project to serve businesses in western New York. The RP program, established in 1957 by the federal Niagara Redevelopment Act (“NRA”), initially provided up to 445 MW of hydroelectric power to industries in the Niagara Mohawk Power Corporation (doing business as “National Grid”) service territory within a 30-mile radius of the Niagara Project switchyard. New applications for Replacement Power are treated under the same criteria as applied to the Authority’s Expansion Power (“EP”) program, established under the Act. Allocations are awarded on a competitive basis to businesses that commit to create jobs, increase electric load by a minimum 100 kilowatts (“kW”) of demand, and build new or expanded existing

facilities through the investment of capital. The EP program provides up to 250 MW of hydroelectric power to businesses within a 30-mile radius of the Niagara Project.

(c) *Preference Power*

Pursuant to the Niagara Redevelopment Act, the Authority is required to serve 50% of the generation output of the Niagara Project to preference power customers at cost-based rates. These customers include 47 municipal electric systems and four rural electric cooperatives. These customers receive 764.8 MW of firm hydropower and 3.6 MW of firm peaking hydropower. In addition, there are seven nearby state customers (“Neighboring States”) preference power customers who receive 191.2 MW of firm hydropower and 40.9 MW of firm peaking hydropower from the Niagara Project facility. In addition, six of these Neighboring States customers receive 34.5 MW of firm hydropower from the St. Lawrence-FDR Project.

Seven Host Community Customers receive 28 MW and Tuscarora Nation and Niagara University receive 4 MW of firm hydropower at preference power prices through contracts entered into as a result of the Niagara Project hydroelectric relicensing process in 2007. These customers are responsible for the operation and maintenance, and administrative and maintenance, among other costs associated with the Niagara and St. Lawrence-FDR Projects. In return they receive cost-based hydropower as well as benefits from capacity from the projects.

In 2024, the Authority initiated a process to modify the hydro supply cost-based rates for preference power customers. With rising costs and the Authority investment of over \$1.1 billion in the life extension and modernization of the Niagara Project (NextGen Niagara), the Authority believes its hydro supply cost-based rates should be adjusted to ensure appropriate cost recovery. The last rate change was approved in 2011, which included a four-year phase in rate plan. The current rates have been in effect at the approved levels since 2014. Authority staff plans to seek the Board of Trustees approval to change the rates via a Notice of Proposed Rule Making in December 2024, with the new rates going into effect in July 2025.

(d) *Preservation Power*

The Preservation Power program allows businesses in the northern part of the State to continue to be served with low-cost hydroelectric power from the St. Lawrence-FDR Project. The Preservation Power program governs the allocation of up to 490 MW of firm and interruptible power from the St. Lawrence-FDR Project to industry in Jefferson, St. Lawrence and Franklin Counties. It applies the same criteria for allocations as are applicable to RP and EP. Renewals of existing contracts for business use of power under the Preservation Power program are subject to the criteria in the Act.

(e) *Renewables*

The Authority is continuing to advance its renewable energy strategy in accordance with New York State’s 2023-2024 Enacted Budget which enabled the Authority to plan, design, finance, and operate renewable energy generating projects, with and without private partners. In January, the Authority filed a petition with the PSC to establish the REACH program, which will provide renewable energy bill credits to low-income New Yorkers.

The Authority has issued Requests for Information and Requests for Qualifications to identify and pre-qualify renewable project developers and investors for future partnerships on renewable energy projects. In May 2024, the Authority pre-qualified 79 renewable developers and partners to collaborate with on renewable energy generation projects. The Authority expects to issue its first strategic plan in January 2025, which will identify and prioritize actions to build more renewable resources and support the decarbonization of the State's electric grid, including projects the Authority plans to develop, own, and support in the upcoming years.

(3) *Recharge New York Power Program.* Pursuant to State legislation enacted in 2011, the Authority is authorized to make available, as “Recharge New York Power,” up to 910 MW of low-cost power comprised of up to 455 MW of hydropower from the Niagara and St. Lawrence-FDR Projects and up to 455 MW of other power procured by the Authority from other sources. For a description of the Recharge New York Power Program, see the 2024 Mid-Year Financial Statements, “Note 15(a) –Power Programs – Recharge New York Program” on pages 34-35.

(4) *Western New York Power Proceeds Allocation Act.* Pursuant to State legislation enacted in 2012, the Authority was authorized to deposit net earnings from the sale of unallocated or allocated, but unused EP and RP from the Authority's Niagara Project in the Western New York Economic Development Fund to be used to support certain projects in western New York. For a description of such program, see the 2024 Mid-Year Financial Statements, “Note 15(a) –Power Programs – Western New York Power Proceeds Allocation Act” on page 35.

(5) *Northern New York Power Proceeds Allocation Act.* Pursuant to State legislation enacted in 2014, the Authority was authorized to deposit net earnings from the sale of unallocated “St. Lawrence County Economic Development Power” in the Northern New York Development Economic Development Fund to be used to make awards to eligible applicants for certain projects meeting specified eligibility criteria. For a description of such program, see the 2024 Mid-Year Financial Statements, “Note 15(a) – Power Programs – Northern New York Power Proceeds Allocation Act” on pages 35-36.

(6) *Astoria Energy II.* In 2008, the Authority entered into a long-term power supply contract with Astoria Energy II LLC for the purchase of all the output of AEII, a 550-MW plant, which entered commercial operation on July 1, 2011, in Astoria, Queens. The delivery period under the contract is through 2031. At the same time, the Authority entered a separate contract with its NYC Governmental Customers, which is coterminous with the PPA with Astoria Energy II LLC, to sell the output of AEII. All net costs of the Authority under the PPA with Astoria Energy II LLC are billed monthly to the NYC Governmental Customers. An equal amount of revenue is recognized during the period related to reimbursements from the NYC Governmental Customers. The agreement with AEII was initially considered as a lease for a substantial part of 2022. During the latter part of 2022, the arrangement with AEII no longer met the definition of a lease under accounting rule GASB No. 87; as a result, AEII, previously recorded as a lease asset and liability, was not reflected as asset and liability on the Authority's financials as of December 31, 2022.

(7) *Hudson Transmission Partners, LLC Project.* For pertinent details on the HTP transmission line for which the Authority has a contract for the purchase of firm transmission capacity, see “PART 2 — THE AUTHORITY'S FACILITIES — Transmission — Hudson Transmission Partners, LLC Project” above.

(8) *Certain Energy Efficiency Initiatives.* For a description of certain energy efficiency initiatives of the Authority, see “PART 2 — CLEAN ENERGY SOLUTIONS,” “PART 2 — EXECUTIVE ORDER NO. 22,” and the 2024 Mid-Year Financial Statements, “Note 16 – Other Developments” on pages 44-49.

Sales of Purchased Power and Energy for Industrial Power

A total of five contracts are in effect with three high-load factor industry customers and one direct service contract with the DOE at Upton, New York, which provide for the sale of approximately 202.8 MW of purchased power and energy. Two of the four contracts with one high-load factor industries do not have specific termination dates and may be terminated by either party upon contractual notice. One of the agreements has an end date of September 30, 2029 and another has an end date of July 31, 2032. The DOE contract is currently subject to yearly federal appropriations. A modification to the contract was executed in late 2020, extending the term through December 31, 2030 with Brookhaven National Laboratory. The contract extension provides for market prices to be flowed through to the DOE. The Act (see “PART 2 — POWER SALES — Marketing Issues and Development — Item (2)”) also directs the Authority “to identify the net revenues produced by the sale of EP and further to identify an amount of the net revenues from the sale of EP which shall be used solely for industrial incentive awards.” The statute provides that “[n]otwithstanding other lawful purposes for which such revenues may be used, it shall be the preferred purpose of the [Authority to make available all such net revenues for industrial incentive awards.” Industrial incentive awards (“Awards”) are to be made in accordance with an economic development plan proposed by the Authority and approved by the Economic Development Power Allocation Board.

The current process generally provides for the Authority to authorize Awards to eligible applicants (i) to support economic development or (ii) for revitalization of businesses demonstrating a risk of closure or relocation out of the State. The form of the Award has generally been a ¢/kWh price discount on an agreed-to level of electricity consumption for one year. Awards would normally be for one year, with the ability to renew for one or two additional years provided the company continues to meet an agreed-to job commitment for the State. The Board of Trustees approved the release of up to \$101 million in net earnings calculated for the period August 30, 2010 through December 31, 2023, as provided in the legislation, for deposit into the Western New York Economic Development Fund (the “WNYED Fund”). As of December 31, 2023, \$84 million has been deposited into the WNYED Fund. The Authority has approved awards of \$43 million to businesses and made payments of \$36 million as of December 31, 2023. Payment of these awards is contingent upon the execution of acceptable contracts between the Authority and individual awardees. Payment of these awards is contingent upon the execution of acceptable contracts between the Authority and individual awardees.

The Authority also sells incremental purchased power and energy at full cost to 14 of its 51 municipal electric system and rural electric cooperative customers to meet their electric power requirements in excess of their hydroelectric power allocations, which incremental power amounts during the peak winter months, in the aggregate, to approximately 80 MW and during the off-peak summer period diminishes to about 17% of the winter amount.

SENY Government Customers

The Authority supplies power and energy from acquisitions in the energy and capacity markets, as well as from Authority sources, to the NYC Governmental Customers and the Westchester Governmental Customers for use for education, public housing, street lighting, subways, airports, bridges and tunnels and other public purposes. The contracts with such governmental bodies provide for firm power service under the Authority’s applicable service tariffs and its rules and regulations for power service, as supplemented by long term agreements with many of these customers (see “PART 2 — POWER SALES — Marketing Issues and Development — Item (1)”). The rates established vary from customer to customer in accordance with load characteristics, and, in most cases, include both demand and energy rates. Authority power is delivered to these customers over the transmission and distribution system of Con Edison. The Authority pays Con Edison a delivery service charge to cover the cost of delivering this power to the point of use by the customer, which cost is recovered by the Authority from the customer.

The Authority's Small Hydroelectric Facilities are used to support service to Westchester Governmental Customers under the arrangements discussed above.

To serve the NYC Governmental Customers, the Authority has as resources its existing generation, including Zeltmann (see "PART 2 — THE AUTHORITY'S FACILITIES – Generation — Zeltmann Combined-Cycle Electric-Generating Plant"), the power and energy from the Astoria Energy II plant that entered into service on July 1, 2011 for which it has a power supply contract, as well as market-based purchases. See "PART 2 — POWER SALES — Marketing Issues and Development — Item 6)." The Authority anticipates that through these various sources it will be able to meet the power and energy needs of such customers. See "PART 2 — NEW YORK INDEPENDENT SYSTEM OPERATOR — Certain Authority Plant Outage Risks" for a discussion of risks relating to outages at Authority units or non-performance of counterparties to energy supply contracts.

St. Lawrence-FDR and Niagara

Power and energy from the St. Lawrence-FDR and Niagara hydroelectric facilities currently is sold to three investor-owned electric utility companies: National Grid, New York State Electric & Gas Corporation ("NYSEG"), and Rochester Gas and Electric Corporation ("RG&E"), 47 municipal electric systems and four rural electric cooperatives in the State, six industrial customers in the north country, over 120 commercial and industrial customers in western New York, over 800 businesses and not-for-profit organizations state-wide, the Metropolitan Transportation Authority (the "MTA"), Niagara Frontier Transportation Authority ("NFTA"), including the Niagara Falls Air Base through the NFTA, seven Neighboring State customers, seven Niagara host communities, Niagara University, the Tuscarora Nation and the DOE via a sale for resale arrangement through LIPA. Energy is also sold to the St. Lawrence Seaway Development Corporation and to the New York State Office of Parks, Recreation and Historic Preservation, as well as into the NYISO wholesale markets. Service is provided to the three investor-owned utilities under contracts providing for sale of 360 MW of peaking power through December 31, 2024, subject to withdrawal upon thirty days' notice by the Authority as may be authorized by law or otherwise as may be determined by the Board of Trustees. The Authority is in the process of extending these agreements to December 31, 2025. State statutes allow the Authority to sell up to 250 MW of EP and up to 445 MW of RP directly to businesses located within 30 miles of the Niagara Project. The majority of RP and EP contracts have been extended through December 31, 2028.

Contracts are in place through September 1, 2025 with entities that were part of the Niagara Project relicensing settlement agreements. Total power allocations for these entities amount to 32 MW, which is distributed among seven host communities, Niagara University and the Tuscarora Nation. The Authority also has an annual minimum obligation of \$5 million through 2057.

Contracts for the sale of up to 764.8 MW of firm and 3.6 MW of peaking power through August 31, 2040 with the 47 municipal electric systems and four rural electric cooperatives which own their own electric distribution systems are in effect. A contract with the MTA for 10 MW expired in July 2000, but the Authority is continuing to provide service to the MTA on a month-to-month basis. Service to NFTA is under contract through December 31, 2024. A new contract with NFTA has been sent to the Governor for signature, which if approved would expire on December 31, 2031.

There are currently six contracts in effect for the Preservation Power program in northern New York. These contracts total to more than 251 MW of power being served to these organizations. Other approved allocations of Preservation Power include a total of 94,000 kW to Air Products and Chemical, Inc. on July 26, 2022 and 3,400 kW to Convalt Manufacturing LLC on September 29, 2022. Once these expansion projects have been completed, these customers will begin to utilize the power awarded to them. A contract for the sale of 20 MW of power to MED to be used for economic development purposes within

St. Lawrence County was approved by the Board of Trustees on June 26, 2012. Legislation enacted into law in 2014 created the Northern New York Power Proceeds Act, which authorizes the Authority, as deemed feasible and advisable by its Trustees, to deposit net earnings from the sale of unallocated power under the Authority-MED Contract in the Northern New York Development Economic Development Fund, which is a subfund within the Authority's Operating Fund (see "PART 2 — POWER SALES — Marketing Issues and Development — Item (5)" and " — Sales of Purchased Power and Energy for Industrial Power"). A contract executed in 2010 provides for the Authority's sale of 15 MW to LIPA for resale to the DOE at Upton, New York, for a term of ten years with an option for the Authority to extend the contract for an additional five years. Sales under the contract commenced in March 2011 and is in the process of being extended through February 29, 2032.

Contracts with the seven out-of-state customers are in effect through April 30, 2032 and provide for the sale of 191.2 MW of firm and the 40.9 MW of peaking power from the Niagara Project. The license issued to the Authority in 2003 for the St. Lawrence-FDR Project provides for the sale of approximately 4.25% of Project power, amounting to 34.5 MW of allocations of firm power and associated energy to six Neighboring States, along with certain non-firm energy, at cost-based rates under contracts with terms through April 30, 2032.

The charges for firm and firm peaking power and associated energy sold by the Authority, as applicable, to the municipal electric systems and rural electric cooperatives in the State, the MTA, the NFTA, the seven neighboring state customers, and the three investor-owned utility companies for the benefit of their rural and domestic customers have been established in the context of an agreement settling litigation respecting rates for hydroelectric power, judicial orders in that litigation, and contracts with certain of these customers. Essentially, the settlement agreement and relevant judicial orders define the rates charged to these customers as cost-based rates and specifically permit the inclusion of interest on indebtedness and continuing depreciation and inflation adjustment charges with respect to the capital costs of the Niagara and St. Lawrence-FDR Projects and preclude the inclusion of any expense associated with debt service for non-hydroelectric projects in the hydroelectric rates charged to wholesale customers for the benefit of rural and domestic customers. The basic rates for RP and EP have been set above costs and are subject to annual adjustment in July of each year, based on three economic indices. A new contract and tariff was approved and in effect on January 1, 2019 for the majority of RP and EP customers. The new service tariff was incorporated into the extensions of the RP and EP contracts through December 31 2028. The majority of RP and EP contracts have been extended through December 31, 2028.

Contracts with National Grid, NYSEG and RG&E relating to hydroelectric power from the plants contain various limitations on the obligations of parties under particular circumstances, including, among other things, provisions allowing for withdrawal of power and energy to comply with the NRA, the Authority's Niagara and St. Lawrence-FDR licenses, and orders of FERC. The Authority may discontinue service upon 15-days' written notice for non-payment of bills and terminate any such contract upon 60-days' notice for violations of the terms thereof. The Authority may terminate an agreement upon 30 days' written notice to a utility. A utility company may elect to terminate its contract for any reason upon 30 days' written notice to the Authority after one year and on 90-days' written notice in the event that the charge for service is increased or the terms, conditions or rules governing the service are materially modified without the agreement of the utility.

From time to time, below average water levels in the Great Lakes reduce the amount of water available to generate power at the Authority's Niagara and St. Lawrence-FDR Projects, thereby requiring the periodic curtailment of electricity supplied to the Authority's customers from these projects.

Blenheim-Gilboa

The Blenheim-Gilboa Pumped Storage Power Project (the “Blenheim-Gilboa Project”) currently operates as a merchant plant, with all of its capacity and energy output sold into the NYISO market generally at the marking clearing price. The Blenheim-Gilboa Project’s capacity can be used to meet the requirements of some of the Authority’s other business and governmental customers and/or sold in the NYISO market.

Small Natural Gas Power Plants

The installed capacity of the SNGPPs is being used by the Authority to meet its installed capacity needs or, if not needed by the Authority, is subject to sale to others. The Authority is offering the generation of the SNGPPs into the “day-ahead” market (the “DAM”) and the “real-time” market (“RTM”) in such a manner as the Authority deems advisable so as to maximize the SNGPPs’ availability to the NYISO to assure the economical and reliable supply of electricity in the SENY area. The Authority believes that the revenues derived from the sale of the SNGPPs’ generation into the NYISO energy markets will be sufficient to meet the costs associated with the SNGPPs.

Zeltmann

The installed capacity of Zeltmann is being used by the Authority to meet a portion of its customers’ installed capacity needs in the City. The Authority is offering the generation of the plant into the DAM and the RTM of the NYISO for the benefit of its NYC Governmental Customers and the Authority so as to, among other things, recover the costs of the operation of the unit and to maximize the unit’s availability to the NYISO to assure the economical and reliable supply of electricity.

Flynn

Flynn operates as a merchant plant, with energy output and ancillary services sold into the NYISO market and offered to authorized counterparties. Through an agreement with LIPA, the Authority is compensated for all capacity provided through December 31, 2026.

CERTAIN FINANCIAL MATTERS

The Authority’s Financial Statements for the year ended December 31, 2023 (With Independent Auditor’s Report) and Management’s Discussion and Analysis (Unaudited) (the “2023 Financial Statements”) and the Authority’s unaudited consolidated financial statements for the six months ended June 30, 2024 (the “2024 Mid-Year Financial Statements”) have each been filed with the Electronic Municipal Market Access System (“EMMA”) of the Municipal Securities Rulemaking Board (“MSRB”), currently located at <https://emma.msrb.org/>, and are hereby included by specific cross-reference in this Official Statement. Prospective purchasers of the 2024 A Bonds should review such Financial Statements prior to purchasing the 2024 A Bonds. For convenience, copies of the 2023 Financial Statements and the 2024 Mid-Year Financial Statements can also be found on the Authority’s website at <https://www.nypa.gov/about/financials>. *No statement on the Authority’s website is included by specific cross-reference in this Official Statement.*

Historical Net Income

The net income of the Authority, which is derived from the Statements of Revenues, Expenses and Changes in Net Position in the financial statements of the Authority for the years ended December 31, 2023, December 31, 2022 and December 31, 2021, are summarized below:

	Summary Statements of Net Income		
	(In millions)		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating Revenues	\$ 3,034	\$ 4,007	\$ 2,741
Operating Expenses			
Purchased power	605	839	539
Fuel oil and gas	176	470	190
Transportation and delivery	1,107	1,304	849
Operations and maintenance	723	756	743
Depreciation and amortization	<u>307</u>	<u>411</u>	<u>281</u>
Total Operating Expenses	\$2,918	\$3,780	\$2,602
Operating Income	\$ 116	\$ 227	\$ 139
Non-operating Revenues and Gains	94	(11)	17
Non-operating Expenses	<u>80</u>	<u>86</u>	<u>84</u>
Net Income	<u>\$ 130</u>	<u>\$ 130</u>	<u>\$ 72</u>

Management's Discussion and Analysis

For additional information, see the 2023 Financial Statements, "Management's Discussion and Analysis" on pages 6-29.

June 30, 2024 Financial Results (Unaudited)

On an unaudited basis, net income for the six months ended June 30, 2024 was \$61 million which was \$28 million lower than the prior period in 2023. The lower net income primarily reflected higher nonoperating expenses totaling \$259 million from the defeasance of debt, the associated one-time expense of \$18 million, and lower interest expense.

Net income for the year ended December 31, 2024, is estimated to be approximately \$163 million, compared to the approved 2024 Budget of \$123 million. The primary drivers contributing to the estimated variance from the 2024 Budget include favorable hedge settlements and fuel transactions associated with the Authority's merchant fleet, and increased generation from the Authority's large hydro facilities, due to higher than anticipated water flows, as well as an increase to the transmission revenue from the Authority's Annual Transmission Revenue Requirement ("ATRR"). These increases are expected to be offset by diminished power prices; lower than planned revenues from the HTP and Flexible Alternating Current Transmission Systems; emergent operations and maintenance expenses, and unplanned other expenses.

On May 22, 2024, the Authority deposited with The Bank of New York Mellon, as Trustee, for its outstanding \$108 million Revenue Bonds, Series 2003A, \$116 million Series 2007B Bonds, \$15 million 2012 Subordinated Notes, and \$20 million 2017 Subordinated Notes (collectively, the "2024 Defeased Bonds and Subordinated Notes") issued under Authority's General Bond Resolution, \$275 million consisting of cash and non-callable direct obligations of the United States the principal of and interest on which when due, together with any portions of such money held, are sufficient to pay when due the maturing principal of and interest due on the 2024 Defeased Bonds and Subordinated Notes. The securities were acquired with only existing resources and deposited in irrevocable trust funds ("Escrow Funds") with the

Trustee. The 2024 Defeased Bonds and Subordinated Notes are deemed to have been paid with the establishment of the Escrow Funds and are in compliance with the other applicable provisions of the General Bond Resolution. The defeasance generated \$21 million of present value savings. In total, the Authority eliminated \$368 million of future scheduled principal and interest payments on the 2024 Defeased Bonds and Subordinated Notes at a cost of \$275 million.

The Authority's total assets and deferred outflows on a consolidated basis as of June 30, 2024 were \$10.68 billion (unaudited). The Authority's total assets and deferred outflows on a consolidated basis as of December 31, 2023 were \$10.68 billion, an increase of \$605 million compared to December 31, 2022. See the 2024 Mid-Year Financial Statements, "Authority's Consolidated Statement of Net Position" on page 2.

As of June 30, 2024, on an unaudited basis total consolidated unrestricted cash and investments of the Authority was \$1.4 billion, consisting of \$1.3 billion for the Authority, \$58 million for SFP, and \$8 million for the Captive. For 2023, 2022, 2021 and 2020 total unrestricted cash and investment of the Authority on a consolidated basis were \$1.6 billion, \$1.4 billion, \$1.3 billion, and \$1.4 billion, respectively. For additional information, see the 2023, 2022, 2021, 2020 Financial Statements.

State Pension Plans and Other Postemployment Benefits

For a discussion of the Authority's participation in State pensions plans, the Authority's other postemployment benefit obligations and related issues, see (i) the 2024 Mid-Year Financial Statements, "Note 9 – Pension Plans" on pages 31-32, (ii) "Note 10 – Postemployment Benefits Other Than Pensions" on page 32 and (iii) Required Supplementary Information (Unaudited) on pages 97-102 of the 2023 Financial Statements.

Outstanding Indebtedness

General Resolution

As of June 30, 2024, the total outstanding indebtedness of the Authority consisted of Revenue Bonds issued under General Resolution, the Authority's Commercial Paper Notes (the "CP Notes"), the 2012 Subordinated Notes and the 2017 Subordinated Notes. As of June 30, 2024, the Revenue Bonds were outstanding in the amount of \$1,249,520,000, the CP Notes were outstanding in the amount of \$476,784,000, the 2012 Subordinated Notes were outstanding in the amount of \$920,000 and the 2017 Subordinated Notes were outstanding in the aggregate amount of \$650,000.

After the issuance of the 2024 A Bonds, the Authority will have outstanding (i) senior indebtedness of approximately \$1,699,520,000, and (ii) approximately \$478,354,000 of Subordinated Indebtedness, as defined in the General Resolution, consisting of the CP Notes, the 2012 Subordinated Notes and the 2017 Subordinated Notes.

The Authority has entered into two revolving credit agreements with banks to provide liquidity support for the CP Notes. 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 JPMorgan 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 currently scheduled to expire on January 12, 2026. The Authority has commenced the process to extend the 2019 Revolving Credit Agreement to January 2027.

The Authority entered into a revolving credit agreement relating to the Series 3B Notes and the Series 4 Notes, if any, 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, with the latter being 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 was extended and is now effective through April 10, 2026.

Additionally, for a discussion of certain interest rate and energy swap agreements that the Authority has entered into and may enter into, see “PART 1 — SECURITY FOR THE 2024 A BONDS — Additional Debt Issuance.”

Separately Financed Projects

Pursuant to the Act and the Authority’s General Resolution, the Authority may issue bonds, notes, or other obligations or evidences of indebtedness, payable and secured by 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, facility, system, equipment, or material related to or necessary or desirable in connection with the generation, production, transportation, distribution, transmission, delivery, storage, conservation, purchase or use of energy or fuel, whether owned jointly or singly by the Authority, including any output in which the Authority has an interest, heretofore or hereafter authorized by the Act or by other applicable State statutory provisions (collectively, “Revenues”). The General Resolution excludes from Revenues any such income or receipts attributable directly or indirectly to the ownership or operation of a Separately Financed Project (defined below).

SFP Transmission Projects

The Authority has adopted its Transmission Resolution (a bond resolution separate from the General Resolution) to finance the costs of any project, facility, system, equipment, or material related to or necessary or desirable in connection with the transmission or distribution of 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, which has been designated by the Authority as both a “Separately Financed Project” under the General Resolution and an “SFP Transmission Project” under the Transmission Resolution (an “SFP Transmission Project”). Currently, 3 projects have been designated as SFP Transmission Projects: Smart Path, Smart Path Connect and Central East Energy

Connect (“CEEC”), each described below. See “—Projected Capital and Financing Requirements and Potential Initiatives” below.

The Authority may designate a project as an SFP Transmission Project under the Transmission Resolution in order to provide for the financing of new transmission projects and improvements to existing transmission projects of the Authority that have or are expected to have regulated rates of return. Prior to any transmission project being financed or refinanced from the proceeds of bonds issued under the Transmission Resolution, the Authority expects to have authorization, or an expectation of receiving such authorization, under its FERC-approved tariff formula rate or other FERC-approved tariff to collect the costs of such transmission project through rates. Transmission projects that are not expected to have a regulated rate of return will not be designated as an “SFP Transmission Project” and will be funded through other financing structures, including the issuance of Obligations under the General Resolution. However, nothing prevents the Authority from financing future new transmission projects under the General Resolution even if such projects are eligible to be financed as SFP Transmission Projects under the Transmission Resolution.

Amounts on deposit in the Revenue Fund established under the Transmission Resolution may be withdrawn from the Revenue Fund and used for any lawful corporate purpose as determined by the Authority, including, but not limited to, transfer to the General Resolution Operating Fund established under the General Resolution, provided that prior to any such withdrawal the funds to be so withdrawn are not expected to be needed for any of the purposes of the Transmission Resolution, the Authority is not in default under the Transmission Resolution and the Authority is in compliance with the rate covenant set forth in the Transmission Resolution for the most recently completed Fiscal Year and in the most recently completed twelve calendar month period ending on the last day of the ninth month of such Fiscal Year (initially, the period ending September 30). In December 2023, \$25 million was released from the Transmission Resolution and deposited in the General Resolution Operating Fund.

SFP Projects

Moses-Adirondack Smart Path Reliability Project (“Smart Path”)

The Authority has completed the replacement of the Moses-Adirondack transmission line, one of the Authority’s Backbone Transmission System lines. This project, known as the Moses-Adirondack Smart Path Reliability Project, includes the replacement of 78 miles of 230kV transmission lines from Massena to the Town of Croghan in Lewis County. The project includes the replacement of obsolete wood pole structures with higher, steel pole structures, and the installation of new conductor and associated hardware. The line will initially operate at its current 230kV level, but will accommodate future 345 kV operation.

In July 2017, the Authority received authorization under the NYISO tariff to include the costs of this replacement project in its NYPA Transmission Adjustment Charge (“NTAC”) mechanism for cost recovery.

Construction commenced in 2020 and the last segment of Smart Path was completed and placed in-service in May 2023. Project closeout and site restoration activities are ongoing. As of June 30, 2024, the total assets for Smart Path placed-in-service is \$480 million.

Central East Energy Connect (CEEC)

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

In April 2019, the NYISO board selected the project proposed by LS Power Grid New York, LLC (“LS Power”, formerly known as North America Transmission) to increase transfer capability from central to eastern New York. The project, known as CEEC, proposed by the Authority and LS Power includes the construction of more than 90 circuit-miles of new 345 kV and 115 kV transmission lines, two new substations and several modifications to existing substations along the impacted transmission corridor.

The Authority originally funded 33% of the CEEC development costs and exercised its 37.5% purchase option in July 2021, bringing the Authority’s total authorized project costs to \$240 million.

FERC authorized the Authority’s recovery of a facility charge for CEEC project costs, adopted per a NYISO filing made on behalf of the Authority. The Authority is recovering its costs associated with the project through its FERC approved cost recovery mechanisms in its ATRR formula rate, which include an incentive rate of return applied to the Authority’s “Construction Work in Progress” balances for the project. The CEEC Project was placed in service in December 2023. The project is currently in the closeout phase and site restoration is ongoing.

Smart Path Connect

In October 2020, the PSC adopted criteria for identifying urgently needed transmission projects to meet the renewable energy goals of the Climate Act. The Authority identified the multi-pronged Smart Path Connect as work that is urgently needed to help unbottle existing renewable energy in the region. The project is estimated to result in a reduction of more than 1.2 million tons of carbon dioxide emissions annually on a statewide basis, and an annual reduction of approximately 160 tons of nitrogen oxide emissions from downstate emissions sources. The Authority estimates that this project will result in more than \$447 million in annual congestion savings in Northern New York and it is estimated to create hundreds of jobs in the North Country during construction.

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

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

The Authority is authorized to spend up to \$830 million for its portion of the Smart Path Connect Project. Construction is ongoing with substantial completion expected by the end of 2025 with all but \$10 million being placed in service. The project is expected to be completed and have the final \$10 million placed in service by the end of the second quarter of 2026. As of June 30, 2024, the Authority has a capital

expenditure of \$618 million (excluding capitalized interest) for the Smart Path Connect project and has completed 38 miles of transmission line upgrades and energized breakers at the Ryan and Patnode substations.

As of June 30, 2024, the total outstanding indebtedness of the Authority under the Transmission Resolution was \$1,342,530,000. See the 2024 Mid-Year Financial Statements, “Note 3 – Separately Financed Projects” on pages 10-12.

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Debt Service Requirements for Senior Lien Debt

The following table shows the debt service for the Authority's senior lien debt, consisting entirely of the Revenue Bonds, expected to be outstanding subsequent to the issuance of the 2024 A Bonds and the implementation of the plan of finance, as described in "PART 1 — PLAN OF FINANCE".

Calendar Year ⁽¹⁾	Outstanding Senior Lien Debt ^{(2) (3)(4)}		2024 A Bonds ⁽³⁾		Total ^{(2) (3)(4)}
	Principal	Interest	Principal	Interest	
2024	\$14,890,000	\$54,666,640	-	-	\$ 69,556,640
2025	-	47,287,484	-	-	47,287,484
2026	-	47,287,484	-	-	47,287,484
2027	-	47,287,484	-	\$ 2,121,394	49,408,877
2028	-	47,287,484	-	21,820,050	69,107,534
2029	-	47,287,484	-	21,820,050	69,107,534
2030	-	47,287,484	\$30,435,000	21,820,050	99,542,534
2031	-	47,287,484	31,955,000	20,298,300	99,540,784
2032	-	47,287,484	33,550,000	18,700,550	99,538,034
2033	-	47,287,484	35,230,000	17,023,050	99,540,534
2034	16,435,000	47,287,484	23,415,000	15,261,550	102,399,034
2035	16,890,000	46,824,345	24,595,000	14,090,800	102,400,145
2036	17,365,000	46,348,385	25,825,000	12,861,050	102,399,435
2037	17,860,000	45,859,039	27,115,000	11,569,800	102,403,839
2038	25,150,000	45,355,745	21,680,000	10,214,050	102,399,795
2039	26,655,000	44,647,018	21,970,000	9,130,050	102,402,068
2040	27,485,000	43,821,000	23,065,000	8,031,550	102,402,550
2041	28,580,000	42,721,600	24,220,000	6,878,300	102,399,900
2042	29,720,000	41,578,400	25,435,000	5,667,300	102,400,700
2043	33,675,000	40,389,600	23,940,000	4,395,550	102,400,150
2044	50,585,000	39,042,600	9,575,000	3,198,550	102,401,150
2045	52,610,000	37,019,200	5,160,000	2,719,800	97,509,000
2046	54,715,000	34,914,800	5,365,000	2,513,400	97,508,200
2047	56,905,000	32,726,200	5,580,000	2,298,800	97,510,000
2048	59,180,000	30,450,000	5,800,000	2,075,600	97,505,600
2049	61,545,000	28,082,800	6,035,000	1,843,600	97,506,400
2050	64,010,000	25,621,000	6,275,000	1,602,200	97,508,200
2051	55,570,000	23,060,600	7,955,000	1,351,200	87,936,800
2052	57,790,000	20,837,800	8,275,000	1,033,000	87,935,800
2053	60,105,000	18,526,200	8,605,000	702,000	87,938,200
2054	62,510,000	16,122,000	8,945,000	357,800	87,934,800
2055	65,010,000	13,621,600	-	-	78,631,600
2056	54,610,000	11,021,200	-	-	65,631,200
2057	56,655,000	8,975,625	-	-	65,630,625
2058	58,775,000	6,853,462	-	-	65,628,463
2059	60,980,000	4,651,900	-	-	65,631,900
2060	63,260,000	2,367,725	-	-	65,627,725
TOTAL^{(2) (3) (4)}	\$1,249,520,000	\$1,278,981,320	\$450,000,000	\$241,399,394	\$3,219,900,714

(1) Debt service amounts are for the years in which they are paid.

(2) Figures above do not reflect outstanding subordinated indebtedness, including the Subordinated Notes. All Subordinated Notes are expected to be paid off as of fiscal year ending December 31, 2024.

(3) Net of capitalized interest.

(4) Totals may not add due to rounding.

PROJECTED CAPITAL AND FINANCING REQUIREMENTS AND POTENTIAL INITIATIVES

In December 2023, the Authority approved its 2024 Budget and 2024-2027 Financial Plan, which estimated that it will commit approximately \$3.1 billion to various capital investments for its generation, transmission, headquarters expenses and other core assets and initiatives over the four-year period 2024-2027, as indicated in the table below. This amount includes approximately \$577 million for Canal Corporation projects, \$300 million of which is anticipated to be funded from external sources over the four-year period. In the 2024-2025 Enacted State Budget, \$50 million of this amount was appropriated by the State for Canal Corporation capital expenses. The 2024-2027 Financial Plan consists of strategic initiatives focused on business diversification and growth, and specifically an investment in the Authority’s growing transmission business and growing clean energy business from the Authority’s current levels of receiving over 80% of its energy as clean energy.

Additionally, the Authority’s capital plan includes expenditures of approximately \$1.3 billion in energy efficiency initiatives for its customers, which will be separately financed, and as such, are not included in the table below. The energy services projects undertaken by the Authority’s governmental customers and other public entities in the State will be reimbursed to the Authority. Due to projects currently under review as well as energy initiatives announced in the Governor’s State of the State address, there is a potential for significant increases in the Authority’s projected capital expenditures. Such additional capital expenditures would be subject to evaluation and Trustee approval.

The Authority anticipates that these capital improvements and energy efficiency initiatives will be funded using existing construction funds, internally generated funds, additional borrowings under the General Resolution and the Transmission Resolution, including commercial paper and long-term fixed rate debt, and energy efficiency customer receipts.

The Authority continually monitors the use of internally generated funds versus debt financing in order to achieve a desired capital structure and financial metrics. At the present time, the Authority intends to finance capital plan initiatives with approximately 50% debt and 50% equity and estimates that no more than 50% of its capital plan will be funded with additional borrowing, including through the issuance of the 2024 A Bonds.

In addition, the Authority and the Canal Corporation monitor and pursue other available funding opportunities. In 2023, the Authority and the Canal Corporation filed applications for Federal and State funding from grants for transmission, revitalization and hydropower facilities as well as hazard mitigation projects and continue to pursue recovery funds tied to extreme weather events and the COVID-19 pandemic through the Federal Emergency Management Agency.

The Authority’s projected capital improvements for the period 2024-2027 are set forth below.

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Capital Improvements by Business Plan*
(in \$ millions)

<u>Business</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Generation	\$ 145.9	\$ 148.3	\$ 154.8	\$ 162.5
Transmission	350.7	247.9	224.2	306.0
Headquarters	179.9	197.2	199.9	226.9
Canal [†] and Reimagine the Canals	86.9	140.6	151.3	197.9
Total Authority Capital Commitment	\$763.4	\$734.0	\$730.2	\$893.3

* Includes capital improvements financed by the 2024 A Bonds. Does not include \$1.3 billion of Energy Efficiency projects, which will be separately financed. See “PART 2 — CLEAN ENERGY SOLUTIONS” below.

[†] Includes and assumed level of elevated funding of approximately \$300 million (including external contributions) to assist in significant infrastructure restoration efforts.

Next Generation Niagara

The NextGen Niagara program replaces, overhauls, and/or upgrades the thirteen (13) generating units and their associated auxiliary power generating equipment. Improvements will include replacing aging equipment with the latest machinery that reflects advanced digital technologies for optimizing hydroelectric performance. The program is comprised of four main projects: Controls Upgrade, Mechanical/Electrical Overhauls, Penstock Platform, and 630-ton Gantry Crane Replacement. As of June 30, 2024, the Authority has spent approximately \$173 million on the program.

Transmission

Transmission-related projects represent approximately 36% of the expenditures expected to be made pursuant to the Authority’s capital plan as set above. The Authority expects to invest approximately \$1.13 billion in transmission in the next four years. New investments are expected to be focused on new build-out of transmission, life extension and modernization programs, maintenance of capital expenses, and digitalization.

Propel NY Energy

In response to the August 2021 NYISO Long Island Offshore Wind Export Public Policy Transmission Need competitive project solicitation, the Authority and NY Transco collaborated and proposed Propel NY Energy (“Propel NY”), a suite of seven transmission solutions, addressing the Long Island offshore wind export needs. On June 13, 2023, the NYISO Board of Directors selected one of the Propel NY Energy transmission solutions as the most efficient and cost-effective transmission solution. The project proposed by the Authority and NY Transco includes the construction of approximately 90 miles of new underground 345 kV and 138 kV Alternating Current (“AC”) transmission lines, including three new 345 kV AC transmission tie lines out of Long Island, construction of several new substations, and the modification of several existing substations.

Propel NY Energy will benefit energy consumers by providing transmission capability to deliver at least 3,000 MW from offshore wind projects, advancing the State closer to its goal of 9,000 MW of offshore wind energy by 2035.

The total estimated cost for Propel NY is approximately \$3.3 billion including East Garden City upgrades. The Authority has committed to invest a minimum of \$500 million with an option, at the

Authority's discretion, to increase the investment to a maximum of 30% of project cost, subject to the Board of Trustees approval.

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

East Garden City Substation Upgrade

The Authority, as incumbent transmission owner, has exercised its Right of First Refusal to perform the identified Designated Public Policy Project at the East Garden City Substation in Garden City, NY. The East Garden City Upgrade ("EGC Upgrade") will allow for the intertie of three new lines proposed by Propel NY to the 345 kV system at an expanded substation featuring new electrical bus arrangement, voltage control equipment, and protection systems made to a modern standard.

The total estimated cost for the EGC Upgrade is approximately \$340 million. The costs for the EGC Upgrade will be recovered through the Authority's existing ATRR.

The targeted in-service date for the EGC Upgrade is mid-2029.

Clean Path NY Project

The Clean Path NY Project is an estimated \$11 billion renewable energy generation and transmission project under development by Forward Power, a joint venture between EnergyRe LLC and Invenergy, LLC. In September 2021, the Clean Path NY Project received an award in the Tier 4 solicitation by New York State Energy Research Development Authority ("NYSERDA"), which solicitation sought projects that would deliver a significant increase of renewable energy into the NYISO Zone J area (the City). Since that time, many of the developers of the renewable energy generation projects which comprised the Clean Path NY Project have cancelled their contracts with NYSERDA due to a variety of factors including inflation, supply chain issues, and rising interest rates. The proposal submitted to NYSERDA included the construction of a new 175-mile High Voltage Direct Current transmission line at an estimated cost of \$3.5 billion. Forward Power and the Authority have been collaborating on the transmission line portion of the Clean Path NY Project. As described in Forward Power's filing under Article 7 of the New York State Public Service Law, the proposed transmission line rating is estimated at approximately 1300 MW. The northern section of the proposed transmission line would be constructed within the Authority's existing rights of way. The remaining sections of the transmission line would utilize existing rights of way owned by NYSEG, the MTA, Metro-North Railroad, the State Department of Transportation, and the City Department of Transportation. A submarine transmission line in the Hudson, Harlem, and East Rivers is also proposed. The construction of a converter station located in Astoria; Queens would be built on existing Authority property. Forward Power and the Authority have been negotiating a joint development agreement to establish the terms and conditions for each party's participation. No assurance can be given that the parties will reach agreement on such terms and conditions. The Authority's approved 2024 Budget and 2024-2027 Financial Plan does not include any capital funds for the project as no capital expenditure by the Authority is currently expected. Facilitating the rapid development of transmission assets is one of the Authority's strategic priorities to achieve the clean energy goals of the Authority's customers and the State, and the Authority intends to pursue all opportunities to advance this strategic priority. See "VISION2030" above.

Robotics Program

The Authority's unmanned aircraft system has expanded beyond capturing photographs of and inspecting its transmission lines with the ability to now respond to operational emergencies. Today, with more than 146 people involved in the program, and a fleet of 90 drones, one pipe robot & one fixed wing

VTOL, the Drone Program’s missions include transmission, generation, and other projects, and has increased the safety and reliability of the Authority’s equipment with more than 876 missions this year.

The next steps for the Drone Program include a 5-year multi-phased plan to develop advanced Unmanned Aerial System (“UAS”) capabilities. It will follow a two-phased approach, beginning with foundational measures needed to enable current and future capabilities. The Authority plans to spend approximately \$37 million over the next five years to support the Drone Program.

On July 27, 2023, the Authority’s Trustees authorized a Capital Expenditure Authorization of \$10 million for the implementation of foundational measures for a UAS Drone Program. Additionally, the Authority’s Trustees provided concurrence with the five-year implementation plan of the UAS Drone Program with a total program cost of \$37 million, and a remaining estimated balance of \$26 million after the \$10 million authorization and the \$1 million initial expenditure, recognizing that release of any of the remaining balance is subject to future authorization.

Electric Vehicle Acceleration Initiative

In 2018, the Authority’s Trustees approved an overall allocation of up to \$250 million to be used through 2025 for an electric vehicle charging acceleration initiative, of which to date \$100.3 million was authorized for capital expenditure. The Authority will operate a charging network of up to 400 DC fast chargers across the State by 2025. As of June 30, 2024, 170 fast chargers were in operation. As of June 30, 2024, approximately \$49 million has been spent.

Potential Additional Initiatives

The Authority may issue additional Obligations under the General Resolution or additional Subordinated Indebtedness, as defined in the General 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 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. The Authority may also determine to finance an additional project from internal funds, from bank borrowings, from bonds, notes or other obligations issued pursuant to the Transmission Resolution, a resolution other than the General Resolution and the Transmission Resolution, or from other sources. If an additional project qualifies as a Separately Financed Project, as defined in the General Resolution, the revenues from such additional project would not constitute Revenues under the General Resolution, and therefore would not be pledged to pay the 2024 A Bonds. See “PART 2 – THE AUTHORITY – Separately Financed Projects.”

Voluntary Contributions and Transfers to the State

Legislation has been enacted periodically since 2000 authorizing the Authority as deemed feasible and advisable by the Board of Trustees, to make voluntary contributions into the State’s treasury. Legislation enacted into law, as part of the 2000-2001 State budget, as amended up to the date of this Official Statement, has authorized the Authority as deemed feasible and advisable by the Board of Trustees, to make a series of voluntary contributions into the State’s treasury. In 2011, the Authority’s Trustees adopted a policy statement (“Policy Statement”) which relates to, among other things, voluntary contributions, transfers, or other payments to the State by the Authority after that date. The Policy Statement provides, among other things, that in deciding whether to make such contributions, transfers, or payments, the Authority shall use as a reference point the maintenance of a debt service coverage ratio of at least 2.0 (this reference point should not be interpreted as a covenant to maintain any particular coverage ratio), in

addition to making the other determinations required by the General Resolution. The Policy Statement may at any time be modified or eliminated at the discretion of the Authority's Trustees.

Chapter 56 of the Laws of 2022, part of the 2022-2023 Enacted State Budget, provides that notwithstanding any provision of law to the contrary, as deemed feasible and advisable by the Authority's Trustees, the Authority is authorized and directed to transfer to the State Treasury to the credit of the general fund up to \$20,000,000 for the state fiscal year commencing April 1, 2022, to support energy related State activities. On March 24, 2023, the Authority made a contribution of \$15 million to the State Treasury to the credit of the general fund.

The projections of the calculation of debt service coverage contained under the caption "HISTORICAL AND PROJECTED DEBT SERVICE COVERAGE RATIOS" below assume that there will be no voluntary contributions to the State during the projected period. The Authority cannot predict what additional contributions to the State may be authorized in the future.

For a discussion of the Authority's voluntary contributions to the State and the Authority's temporary transfer of funds to the State, see the 2024 Mid-Year Financial Statements, "Note 15(g) – Commitments and Contingencies – New York State Budget / Other Matters" on pages 41-43.

Nuclear Plant Sale Matters

For a discussion of the Authority's nuclear plant divestiture and issues relating to nuclear fuel disposal, see the 2024 Mid-Year Financial Statements, "Note 11 – Nuclear Plant Divestiture and Related Matters" on page 33.

2024 Budget and Financial Plan

Regulations implemented by the Office of the State Comptroller (the "OSC") require that the Authority prepare annual budgets and four-year financial plans that are approved by the Board of Trustees and then submitted to the OSC and made available to the public. The Authority's Financial Planning team is responsible for consolidating information received from various departments at the Authority that are incorporated into the financial forecast. The Financial Planning team actively engages and challenges all assumptions as they develop and work toward preparing a budget and financial plan representing the most likely future financial outcome based upon information available to them at that time.

The Authority adopted its 2024 Approved Budget and 2024-2027 Financial Plan on December 12, 2023.

Budget and financial plan documents are posted on the Authority's website and mailed to various public libraries for review by the public. These documents are not a part of this Official Statement and are not filed on EMMA. They are not prepared with a view to providing disclosure to investors in the securities of the Authority, and accordingly, should not be relied upon by an investor in making an investment decision.

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HISTORICAL AND PROJECTED DEBT SERVICE COVERAGE RATIOS

The Authority’s historical debt service coverage ratio for the year ended December 31, 2023 and projected debt service coverage ratios for the years ended December 31, 2024 through December 31, 2027 are set forth below:

Calculation of Debt Service Coverage Ratio (in \$ millions)*

	<u>2023*</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Consolidated Net Income**	\$130.43	\$162.86	\$152.49	\$132.20	\$156.65
(+) Depreciation Expense	306.96	331.62	363.36	389.49	407.78
(+) Interest Expense	81.08	58.48	47.29	47.29	47.29
Funds Available for Debt Service	\$518.47	\$552.96	\$563.14	\$568.98	\$611.72
Net Debt Service***	69.47	71.87	47.29	47.29	47.29
Debt Service Coverage Ratio	7.5x	7.7x	11.9x	12.0x	12.9x

* The current method used by the Authority to calculate the debt service coverage ratio starts with net income and adds back depreciation and interest expense to determine the funds available for debt service. For this calculation, it is assumed that SFP net income is distributed to the Authority and is available for General Resolution bondholders.

** Net income includes revenue from the Authority’s transmission and SFP Transmission Projects: in 2023, total transmission revenue was \$372 million, of which \$97 million was from SFP Transmission Projects. Total transmission revenue for 2024-2027 is projected to be \$449 million, \$529 million, \$557 million and \$586 million, respectively of which \$149 million, \$177 million, \$208 million, \$246 million, respectively is from SFP Transmission Projects. See “PART 1 — SECURITY FOR THE 2024 A BONDS — Separately Financed Projects.”

*** Net of capitalized interest for 2024-2027 forecast. Excludes Commercial Paper debt service.

For additional information, see the 2023 Financial Statements, “Consolidated Statements of Revenues, Expenses and Changes in Net Position” on page 32.

Based on updated financial forecast projections prepared by the Authority as of June 30, 2024, the Authority expects to have debt service coverage ratios of 7.7x in 2024, 11.9x in 2025, 12.0x in 2026 and 12.9x in 2027. Such projections are based upon certain operational and financial assumptions including, but not limited to, assumptions relating to (i) Great Lake water levels and hydro flows at the Authority’s Niagara and St. Lawrence Projects, (ii) forecasted forward energy and capacity prices in the State, (iii) future assessment of RTEP charges associated with the HTP Line (see “PART 2 — POWER SALES – Marketing Issues and Development – Item (7)”), (iv) the amount and timing of debt to be incurred by the Authority, and (v) the level of support required from the Authority for operating and capital costs for the Canal Corporation. The projections also assume that no additional voluntary contributions will be made by the Authority to the State during the forecast period, and that the sale of the 2024 A Bonds will be accomplished as described under “PART 1 — PLAN OF FINANCE.” Although the financial forecast projections prepared by the Authority as of June 30, 2024 were based on operational and financial assumptions that the Authority believed to be reasonable, the achievement of certain results or other expectations contained in such projections is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results or expectations expressed or implied by such projections.

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CLEAN ENERGY SOLUTIONS

The Authority, through its Clean Energy Solutions programs, provides customers with wide-ranging on-site energy solutions including energy data analytics, planning, development, implementation and operation of capital projects such as energy efficiency, distributed generation, advanced technologies and renewables. The Authority was also responsible for implementation of the Governor’s Executive Order (“EO”) No. 88 (2012) (to improve energy efficiency at State-owned and managed buildings), and is responsible for the Five Cities Energy Efficiency Implementation Plans (for the cities of Albany, Buffalo, Rochester, Syracuse and Yonkers to reduce overall energy costs and consumption, strengthen the reliability of energy infrastructure, create jobs in local clean energy industries and contribute to a cleaner environment), and the K-Solar program (to reduce energy costs of certain schools through the use of solar power). EO No. 88 was revoked and superseded by EO No. 22, issued by Governor Hochul on September 20, 2022, which among other things requires State entities, including the Authority, to adopt a sustainability and decarbonization program. The Authority is a member of the Green NY Council created by EO No. 22 that that helps to implement EO No. 22. See “PART 2 – EXECUTIVE ORDER NO. 22”.

Section 59 of Part FFF of Chapter 56 of the Laws of 2022, part of the 2022-2023 Enacted State Budget, authorizes the Dormitory Authority of the State of New York, the New York State Urban Development Corporation, and the New York State Thruway Authority to issue bonds in one or more series under either Article 5-C or Article 5-F of the State Finance Law for the purpose of refunding obligations of the Authority to fund energy efficiency projects at State agencies including, but not limited to, the State University of New York, the City University of New York, the New York State Office of General Services, the New York State Office of Mental Health, the State Education Department, and the New York State Department of Agriculture and Markets. The aggregate principal amount of bonds authorized to be issued may not exceed \$475 million. Such bonds will not be a debt of the State, and the State shall not be liable thereon, nor shall they be payable out of any funds other than those appropriated by the State under Article 5-C or Article 5-F of the State Finance Law, as applicable. As of December 31, 2023, the State has reimbursed the Authority an aggregate amount of \$202 million with an agreed remaining list of \$273 million of approved projects which will continue to be reimbursed as costs are incurred.

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

With respect to expenditures on Clean Energy Solutions in the next four years, the Authority has designated approximately \$315.3 million in 2024, \$327.3 million in 2025, \$339.8 million in 2026, and \$320.9 million in 2027, as set forth in “PART 2 — CERTAIN FINANCIAL MATTERS — Projected Capital and Financing Requirements and Potential Initiatives.” Except for certain limited costs, the Authority expects to recover its expenditures on these programs, including its financing costs, over periods not exceeding ten years. Except as described below, such expenditures are generally recovered from the benefitted customer or entity, with customer repayments to December 31, 2023 of approximately \$3.9 billion. In addition, the Authority implements other energy services programs financed by other sources, such as the State and the City. The Authority’s energy services programs generally provide funding for, among other things, high efficiency lighting technology conversions, high efficiency heating, ventilating and air conditioning systems and controls, boiler conversions, replacement of inefficient refrigerators with energy efficient units in public housing projects, electric vehicles and charging stations, distributed generation technologies and clean energy technologies, and installation of non-electric energy saving

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

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

As of December 31, 2023, the Authority had outstanding aggregate expenditures of \$473.7 million for these programs, comprised of approximately \$244.6 million in accounts receivable (including the principal balance of loans to its customers in the amount of \$144.7 million for projects in billing) and approximately \$229.1 million of construction work in progress, pending for billing. The Authority expects to spend an additional \$1.3 billion for these programs and projects over the period from 2024 to 2027 (see "PART 2 — CERTAIN FINANCIAL MATTERS — Projected Capital and Financing Requirements and Potential Initiatives"). As the range of energy solutions offered by the Authority to the Authority's customers grows, the specific programs may change and the expenditures authorized for the programs may increase.

NEW YORK STATE CANAL CORPORATION

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 New York State Canal System to be exercised through the Canal Corporation.

The Canal Corporation operates at a loss and is expected to require substantial operating and maintenance support and capital investment. The Canal Corporation's expenses are expected to be funded by transfers of funds from the Authority. Any transfer of funds would be subject to approval by the Authority's Board of Trustees and compliance with the Authority's General Resolution. Certain expenses eligible for reimbursement are expected to be reimbursed to the Authority by moneys held in the Canal Development Fund maintained by the State Comptroller and the Commissioner of Taxation and Finance. For the year ended June 30, 2024, the Canal Corporation recognized \$1 million in revenues, \$55 million in operations and maintenance expenses, and \$20 million in depreciation expenses.

On January 29, 2020 the Board of Trustees authorized an investment of \$300 million over five years for the Reimagine the Canals Initiative ("Reimagine the Canals Initiative") and approved \$30 million to fund the Reimagine the Canals Initiative in 2020. As the Authority refreshes its VISION2030 strategy, the Reimagine the Canals Initiative will be reviewed.

On December 12, 2023, the Canal Corporation's Board of Directors adopted a budget for 2024-2027 that included expenditures for operations and maintenance expenditures averaging approximately \$103 million per year, and \$2.5 million per year for Canal Development Fund expenses. The budget for 2024-2027 also includes approximately \$577 million for Canal Corporation and Reimagine the Canals projects, \$300 million of which is anticipated to be funded from external sources over the four-year period.

The capital projections assume additional resources from State, Federal, and other external sources. For a discussion of the Canal Corporation, see the 2023 Financial Statements, “Management’s Discussions and Analysis – Canal Corporation” on page 29 and the 2024 Mid-Year Financial Statements “Note 17 – Canal Corporation” on page 49.

Capital expenditures for the Canal System are expected to be paid from moneys in the Operating Fund upon compliance with certain conditions in the General Resolution. See “PART 1 – SECURITY FOR THE 2024 A BONDS – Application of Revenues.”

THE CAPTIVE

Legislation enacted in May 2022 (Chapter 193 of the Laws of 2022) amended the State insurance law to provide the Authority with the legal authority to form a captive insurance company enabling the Authority to effectively provide coverage for risks that are not currently insured, not insurable on the traditional commercial markets, or prohibitively expensive to insure through the commercial markets and to provide the Authority with related tax exemptions. On September 29, 2022, the Authority’s Trustees approved the formation of the Captive, and the Authority filed its application for a license with the New York State Department of Financial Services (“DFS”). On May 2, 2023, the DFS issued the Certificate of Incorporation for the Captive, and the Captive’s Board of Directors held an organization meeting on May 25, 2023. On May 25, 2023, the Authority also contributed \$250,000 as its initial capital contribution to the Captive. An additional \$99,750,000 of capital contribution was made on August 8, 2023, bringing the total contribution to \$100 million. The DFS issued the requisite license to operate to the Captive on July 25, 2023.

On September 1, 2023, the Captive initially underwrote a TRIA Certified NBCR (Nuclear, Biological, Chemical, Radiological & Cyberterrorism) Terrorism policy with an aggregate limit of \$500 million, which policy has a federal backstop, as well as a property deductible reimbursement line in the amount of \$5 million per occurrence. On November 1, 2023, the coverage limit for the property deductible reimbursement line was increased to \$10 million per occurrence. On January 1, 2024, the Captive also underwrote a cyber deductible reimbursement line in the amount of \$5 million per occurrence. Finally, on June 15, 2024, the Captive underwrote a general liability deductible reimbursement line in the amount of \$4.8 million per occurrence with a \$200,000 deductible.

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

NEW YORK INDEPENDENT SYSTEM OPERATOR

New York Independent System Operator Arrangement

The Authority is a transmission-owning member of the NYISO. The NYISO schedules the use of the bulk transmission system in the State, which includes all the Authority’s transmission facilities that are not subject to “grandfathered” transmission agreements (“Grandfathered Agreements”), and collects ancillary services, losses and congestion fees from customers. The NYISO currently manages approximately 11,000 miles of transmission lines, 760 generation units, and serves 20.2 million New Yorkers.

New York Independent System Operator

In 1999, two not-for-profit organizations were established: the NYISO and the New York State Reliability Council (the “Reliability Council”). The NYISO assumed control of the State’s bulk electric power system pursuant to tariffs and market rules filed with and accepted by FERC. The Reliability Council promotes and preserves the reliability of electric service on the NYS Power System (as defined below) by developing, maintaining, and, from time to time, updating rules relating to maintaining the reliability of the NYS transmission system (the “Reliability Rules”). The NYISO and all entities engaging in electric transmission, ancillary services, energy and capacity transactions within the State power system (the “NYS Power System”) must comply with the Reliability Rules.

The NYISO coordinates the reliable dispatch of power and operates real-time and day-ahead auction-based markets for the sale of electricity and ancillary services within the State. The NYISO evaluates the bids submitted into the energy markets and dispatches units based on economic and reliability considerations to meet load needs at any point in time. A significant feature of the NYISO energy markets is that prices are determined on a location-specific basis by considering generation supply bids, the effect of transmission congestion, and electrical losses between regions of the State. Separately, as addressed further below, the NYISO is responsible for managing transmission service over the bulk transmission system within the State, including over the Authority’s transmission facilities.

The NYISO collects charges associated with the use of transmission facilities and the sale of energy, capacity, and services through the markets that it operates and remits the proceeds of such charges to the owners of the facilities in accordance with the NYISO Open Access Transmission Tariff (“OATT”) and the NYISO Market Administration and Control Area Services Tariff (the “Services Tariff”). Under the NYISO OATT, certain charges for ancillary services (which include NYISO operating costs), congestion, losses, and a portion of the Authority’s transmission costs are assessed against the Authority and other load serving entities (“LSEs”) responsible for serving ultimate customers. Because such costs are currently passed through to most Authority customers, the Authority remains an active participant in the governance of the NYISO markets.

Under authority granted by FERC and the terms of the NYISO OATT, the Services Tariff, the NYISO Transmission Owner Agreement, and the New York State Reliability Council Agreement, the NYISO has authority to direct the operation of the NYS Power System to maintain system reliability in accordance with good utility practice and the Reliability Rules. All referenced agreements are available from the NYISO web site at: <https://www.nyiso.com/regulatory-resources>. The information on the NYISO’s website is not incorporated into this Official Statement.

Entities that engage in the wholesale sale, transmission or purchase of electric energy within the NYISO markets are “Market Participants.” The Authority, the IOUs (Central Hudson Gas & Electric Corporation, ConEd, National Grid and NYSEG, Rochester Gas and Electric Corporation and Orange and Rockland Utilities Corporation), and LIPA are the incumbent transmission-owning NYISO members and each of the current IOUs operating within the State, and a subsidiary of LIPA are members of the Reliability Council and among the many Market Participants in the NYISO markets. The Authority has representation on each of the NYISO’s committees, which are subject to the oversight of the NYISO Board of Directors. In addition, the Authority has representation on the Executive Committee of the Reliability Council, which consists of thirteen members who govern the Reliability Council.

Consistent with FERC’s Order No. 1000, the NYISO conducts a Comprehensive System Planning Process (“CSPP”). The CSPP includes a local transmission planning process, a reliability planning process, a congestion assessment and resource integration study, and the public policy transmission planning process (“PPTPP”). The local transmission planning process requires that each transmission owner post its

transmission plans for interested parties to review. These plans are then used to assess the needs of the broader NYISO system, including reliability, economic, and public policy needs. The PPTPP is the newest component of NYISO's CSPP and it allows the NYISO to evaluate and select transmission solutions that are driven by public policy considerations.

Regulation of Rates; Transmission Revenue Requirement

In 1999, FERC approved the NYISO OATT, the NYISO Services Tariff, and each of the related agreements submitted to it for approval in connection with the formation of the NYISO. Also in 1999, the Authority transferred day-to-day operational controls of its transmission facilities to the NYISO. In addition, FERC approved the use of the Authority's then-existing ATRR in developing the rates for service under the NYISO OATT and approved the NTAC as the NYISO tariff mechanism for the recovery of those costs, which are allocated to all loads served by the NYISO. The NTAC is an essential component of the Authority's ATRR as direct customer payments to the Authority under Grandfathered Agreements have diminished as nearly all of those agreements have or eventually will expire or be terminated. FERC also approved a separate Authority Transmission Service Charge for the recovery of Authority's transmission facilities used to serve "directly connected" loads, largely applicable at the St. Lawrence Project.

The NYISO is responsible for scheduling use of the bulk transmission system in the State, including the Authority's transmission facilities not subject to Grandfathered Agreements, and for collecting related fees from transmission customers. Each of the IOUs, LIPA and the Authority retains ownership of and maintenance responsibilities for its respective transmission lines. All NYISO transmission customers pay the local utility's transmission service charge, which is set forth in the NYISO OATT, plus the NYISO's fees for ancillary services, losses and congestion for use of the transmission system. Each transmission customer also pays, as part of the NYISO billing process, a separate charge - the NTAC - to compensate the Authority for the use of its backbone transmission system. As discussed further below, the NTAC is designed to ensure the Authority's recovery of its ATRR for its legacy and backbone transmission facilities from customers throughout the State. If the NYISO does not maintain a FERC-accepted tariff that provides for full recovery by the Authority of its ATRR, the Authority is permitted to withdraw from the NYISO on 90-days' notice to the other parties. In addition, any of the IOUs, LIPA and the Authority may withdraw from the NYISO on 90-days' notice to the Board of Directors of the NYISO, but, in the case of an IOU, such withdrawal is conditioned upon the effectiveness of an OATT on file with FERC that relates to service over the transmission owner's transmission facilities.

The NYISO prepares an annual budget pursuant to which it establishes and collects a volumetric charge from the NYISO market participants. The NYISO forecasts the volume of electricity it expects to flow through its markets for a given year, and divides the annual budget amount by that volume, to produce a rate of dollars per MWh of electricity. If the actual amount of electricity that flows through the NYISO is significantly less than the forecasted amount, the NYISO would fall short of the amount it needs to fund its budget. Historically, when the NYISO observes a trend towards significant under collection, the NYISO uses tools which include increasing the dollar per MWh rate mid-year to increase collections. Those tools have to date allowed the NYISO to prevent any major budget shortfall.

ATRR. Since the formation of the NYISO in 1999, cost recovery for the use of the Authority's transmission facilities has been governed by the NYISO OATT, which initially included an ATRR for the Authority of \$165.4 million. In 2012, subject to FERC review and acceptance, the Authority increased its ATRR to \$175.5 million, effective Aug. 1, 2012. The increased ATRR was necessary to cover increased operating and maintenance expenses of the Authority's transmission facilities, and to make necessary capital improvements. In 2016, subject to FERC review and acceptance, the Authority established an ATRR formula rate, effective April 1, 2016, to more efficiently recover its increased capital and operating expenditures needed to maintain the reliability of its transmission system. Under the formula rate, the

Authority updates its ATRR on an annual basis to more accurately reflect its costs. As of April 1, 2016, the Authority's ATRR under the formula rate was \$190 million, which increased to \$198.2 million on July 1, 2016, pursuant to the formula rate annual update process. Effective July 1, 2021, the Authority's ATRR was \$278.9 million. The Authority's ATRR increased in 2022, 2023 and 2024 to \$384.8 million, \$371 million and \$527.3 million, respectively. The formula to calculate the ATRR is based on an assumed debt/equity ratio of 1:1 and a return on equity of 8.95%, plus incentives. The ATRR is updated and posted annually, subject to stakeholder review and challenge based upon FERC's "just and reasonable" standard.

NTAC. Unlike IOUs, the Authority does not own distribution facilities, it has no geographic retail service territory, and, as a result, it does not recover its costs through retail electric rate tariffs. In addition, direct customer payments to the Authority under Grandfathered Agreements have diminished as many of those agreements have largely been terminated or expired. Accordingly, the Authority recovers its cost of owning and maintaining its transmission facilities primarily through NTAC payments against its ATRR. As stated above, the NTAC is a charge under the NYISO OATT that transmission customers must pay for services within or through the bulk transmission system within the State. NTAC is different from the zonal recovery mechanism that generally applies to other NYISO transmission owners in that it is assessed to virtually all loads in the NYISO on a load-ratio share basis. Accordingly, the NTAC is essential for the Authority's recovery of its ATRR. The Authority's NTAC is subject to FERC review under the provisions of its formula rate and protocols because it is collected through the NYISO OATT. The Authority must provide to its stakeholders and file with FERC annual updates to the NTAC, together with any annual updates to project-specific revenue requirements, each year for informational purposes. Separately, the NYISO OATT includes a "Transmission Service Charge" to recover the costs of the Authority's transmission facilities that are used to serve "directly connected" loads.

For a repair or replacement of a transmission project to qualify for cost recovery through the NTAC, absent FERC approval, the transmission project must be part of the Authority backbone transmission system and have an estimated repair or replacement cost of less than \$90 million in 2016 dollars, as adjusted using the Consumer Price Index, or receive the approval from at least three of the five of the IOUs and LIPA (the "Voting Members Systems"). For non-repair or replacement transmission capital expenditures that are not the result of directive(s) issued by NERC, FERC, or the Reliability Council or that are required under the NYISO OATT, that are in excess of \$40 million in a single calendar year in 2016 dollars, as adjusted using the Consumer Price Index, or the transmission project is not considered related to the Authority backbone transmission system, to qualify for cost recovery through the NTAC, it must receive the approval from at least three of the five Voting Members Systems. The Voting Members Systems must notify the Authority 60 days within receiving the Authority's capital expenditure plan if they intend to vote and a decision not to hold a vote on a capital expenditure plan is effectively an affirmative vote. If the Voting Members Systems vote against allowing a project to receive cost recovery through the NTAC they must provide a written statement explaining their rationale for denying the project NTAC recovery. The Authority may submit a revised proposal to the Voting Members Systems and/or make a filing at FERC demonstrating that the proposed costs are just and reasonable and should be subject to NTAC recovery or recovered through a project specific component of its formula rate, which may include a different allocation method than load-ratio share.

Transmission-related projects represent approximately 36% (exclusive of energy efficiency projects) of the expenditures expected to be made pursuant to the Authority's capital plan as set forth in PART 2 — "CERTAIN FINANCIAL MATTERS – Projected Capital and Financing Requirements and Potential Initiatives." The Authority expects to invest approximately \$1.13 billion in transmission in the 2024-2027 Financial Plan. New investments are expected to be focused on new build-out of transmission, life extension and modernization programs, maintenance of capital expenses, and digitalization.

Section 205 Filings. The Authority has the ability to petition FERC under Section 205 of the Federal Power Act (“FPA”) to implement changes to its formula rate. In 2023, the Authority received authorization under Section 205 to change its Administrative and General cost allocation methodology from a historically-used Labor Ratio method to a three-factor “Modified Massachusetts Formula” methodology that takes into account direct labor, net plant and net revenue. In 2024, under Section 205, the Authority sought to incorporate a number of additional changes to its formula rate, namely the conversion to using a 13-month average balance method for its Rate Base, Long Term Debt, and CWIP calculations as well as the inclusion of additional FERC Accounts for transmission and Land Held for Future Use. Approval of these formula rate changes is expected by end of the third quarter of 2024. The Authority is also planning to initiate a Section 205 request in late 2024 to increase its current 8.95% base return on equity (“ROE”) in its transmission formula rate.

NYISO Market Procedures

Under NYISO procedures, LSEs represent electricity end-users in dealings with the NYISO. The Authority is an LSE for large segments of its load in the State and must ensure it has sufficient installed capacity to meet its customers’ needs and NYISO and Reliability Council reliability rules, either through ownership of such capacity, bilateral installed capacity purchase contracts or auction purchases conducted by the NYISO. For a discussion of these installed capacity requirements relating to the City and Long Island, see “NYISO Capacity Requirements Matters,” below, and “PART 2 — CERTAIN FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY AND THE AUTHORITY”.

As an LSE, the Authority is also obligated to ensure that it has enough energy and capacity to meet its customers’ load requirements. The energy needs can be met in the NYISO regime through the Authority’s own generation, bilateral purchases from others, or purchases of energy in the NYISO DAM (wherein bids are submitted for energy to be delivered the next day) or in the NYISO RTM. The capacity needs can be met in the NYISO regime through the Authority’s own generation, bilateral purchases from others, or purchases of capacity in the NYISO auctions before and during each NYISO designated capability period, including monthly and spot auctions.

Generators may bid their energy into the DAM and/or the RTM. However, generators whose installed capacity has been sold in the NYISO’s installed capacity (“ICAP”) market must then bid the energy from such claimed capacity into the DAM. To satisfy this requirement, the Authority bids into the DAM all of the Authority generation it claims to meet ICAP requirements, which consists of virtually all of its generation. The Authority also bids the generation into the RTM in such amounts and at such offers as the Authority deems appropriate.

The NYISO evaluates the offers and bids submitted in the DAM and the RTM by generators and dispatches the units on the basis of economic and reliability considerations to meet load needs at any point in time. Unless governed by a bilateral arrangement between a generator or power marketer and an LSE, the price a generator is paid and the price paid to the NYISO by an LSE purchasing energy is dependent upon the results of the offer/bidding process and system conditions (for a discussion of certain NYISO rules having an impact on the offer/bidding procedures, see “NYISO Energy and Capacity Market Mitigation Measures” below). A significant feature of the NYISO energy markets is that prices are determined on a location-specific basis taking into account local generating bids submitted and the effect of transmission congestion and electrical losses between regions of the State.

The Authority, being an LSE and a generator owner and operator, may choose to meet its LSE load and capacity requirements by a combination of (1) bilateral arrangements, which, in the Authority’s case, would mean specified Authority generation and energy purchased under contractual arrangements, linked to specified Authority loads, and (2) purchases in the DAM or the RTM. The Authority’s ownership of

certain transmission-related rights serves to reduce uncertainty concerning congestion costs to the Authority of such bilateral arrangements and energy market transactions.

Certain Authority Plant Outage Risks

The NYISO administers the DAM and the RTM through which suppliers and purchasers of energy and ancillary services can sell and acquire such products. The Authority participates in these markets as both a buyer and a seller of electricity and ancillary services.

Because of NYISO installed capacity market rules, the Authority is required to bid into the DAM virtually all of the installed capacity of its units. The NYISO then decides which Authority units will be dispatched, if any, and how much of each unit's generation will be dispatched. The dispatch of a particular unit's generation depends upon the offer prices for the unit submitted by the Authority, offers submitted by other generators, the amount of generation needed by the NYISO to meet expected demand and transmission security limits. If an Authority unit is dispatched by the NYISO, the Authority receives a fixed price for each hour (the "Market Clearing Price"), based on NYISO pricing methodology, for the energy dispatched above that designated by the Authority as bilateral arrangement generation (the "Excess Energy"). As to the energy provided under the bilateral arrangements (the "Contract Energy"), the Authority receives the price in its contracts with its customers (the "Contract Price").

Being selected for dispatch in the DAM also obligates the Authority to supply the energy in question during a specified time period (the "Short-Term Period") if the unit is selected. If a forced outage occurs at the Authority plant which is to supply such energy, then the Authority is obligated to pay during the Short Term Period (1) in regard to the Excess Energy amount, the difference between the price of energy in the RTM and the Market Clearing Price in the DAM, and (2) in regard to the Contract Energy amount, the price of energy in the RTM which is offset by the Contract Price. This RTM price may be subject to more volatility than the DAM price. The risk attendant with this outage situation is that, under certain circumstances, the Market Clearing Price in the DAM and the Contract Price may be well below the price in the RTM, with the Authority having to pay the difference. In times of maximum energy usage, this cost could be substantial. In addition to the risk associated with Authority generation bids into the DAM, the Authority could incur substantial costs in times of maximum energy usage in purchasing replacement energy for its customers in the DAM or through other supply arrangements.

As part of an ongoing risk mitigation program, the Authority implements financial hedging techniques to cover, among other things, future maximum energy usage periods and uses its various resources for outage risk mitigation purposes. In addition, the NYISO has implemented a FERC-approved bid cap on generator bids into the DAM and the RTM. The bid cap, which remains in effect until further FERC action, serves to limit the Authority's outage loss exposure.

There can be no guarantee, however, that even with any protective hedging techniques, offsetting economic benefits, and a bid cap, the Authority would not suffer substantial economic loss in the future if one or more of its units were to suffer a forced outage during a maximum energy usage period or an extended forced outage period or a counterparty failed to perform under its energy supply contract.

NYISO Energy and Capacity Market Mitigation Measures

Wholesale electric energy markets that are generally competitive may occasionally cease to be competitive if conditions arise that temporarily give Market Participants an ability to raise prices significantly by economically withholding energy or ancillary services. High loads, facility outages, binding transmission constraints, or other factors can cause such instances, either singly or in combination. Pursuant to its Market Administration and Control Area Services Tariff ("Services Tariff"), the NYISO

implements manual mitigation measures that it can apply manually throughout the New York Control Area to remedy conduct that the NYISO determines could distort or impair competition within the DAM or RTM. In addition, the NYISO has established an automated mitigation procedure, which automates the manual energy market mitigation measures within certain transmission-constrained areas identified by the NYISO. However, the NYISO currently applies automatic mitigation measures only to the “City” capacity zone for the detection and mitigation of energy and other offers in the NYISO DAM and RTM that exceed certain established criteria within that zone. These mitigation rules could result in a Market Participant’s bid being mitigated if specified conduct and impact thresholds are exceeded.

With respect to the capacity market, FERC ordered the NYISO in 2011 to revise its Services Tariff language to establish mitigation rules intended to protect the City and Lower Hudson Valley capacity zones against unjustifiably high market prices and uneconomic entry of new resources that would cause unjustifiably low market prices. The rules to prevent unjustifiably high capacity market prices, commonly known as Supplier-Side Mitigation, provide that the offers of “Pivotal Suppliers” are subject to caps under certain circumstances. Pivotal Suppliers are those that control more than a set amount of capacity, which is necessary to meet the applicable locational capacity requirement. The Authority has been and has the potential to be a Pivotal Supplier in the future depending on market conditions. As such, the Authority may potentially be subject to NYISO Services Tariff provisions that require all its capacity be offered in each ICAP spot market auction and prohibit certain instances of capacity sales outside of the NYISO markets.

The rules to prevent uneconomic entry of new resources, commonly referred to as Buyer-Side Mitigation, require the NYISO to evaluate new entry and determine if the new entry is an economic decision. If the NYISO determines a new entrant into the City or Lower Hudson Valley capacity zone is not economic, an offer floor price is established and the new entrant is required to offer into the spot market at a level no lower than the mitigation offer floor. Such a floor can result in the new resource not receiving capacity revenues for certain months. Capacity from new entrants is relieved of the offer floor requirement after clearing the spot market for 12 monthly spot auctions, which need not be consecutive months.

NYISO Capacity Requirements Matters

The ICAP market in the State was created administratively to ensure the reliability of the electricity system. The New York State Reliability Council annually sets the State’s minimum capacity requirement which is currently 122% of the State’s peak load, and the NYISO has set the current City, Lower Hudson Valley and Long Island locational ICAP requirements at 80.4%, 81% and 105.3% of their peak load levels, respectively. The ICAP requirements related to the City, Lower Hudson Valley and Long Island capacity zones must be met with resources electrically located within those areas, while the ICAP quantities above these locational ICAP requirement levels can be procured from anywhere in the State and from external resources. The requirements are allocated among LSEs in proportion to the load they serve.

Pursuant to its Services Tariff, the NYISO employs an ICAP demand curve, which provides payments to ICAP providers for ICAP above the minimum level required for reliability in order to support the construction and retention of needed generating facilities in the State. Generally, these provisions have increased the amount of ICAP an LSE will be obligated to obtain to meet NYISO requirements, including separate requirements applicable to the City, Lower Hudson Valley and Long Island capacity zones. The Authority has been able, as an LSE, to meet these revised requirements through its own units, contracts with other generators, and purchases in the NYISO-administered ICAP market, and expects to be able to do so in the future.

Potential NYISO Budget Shortfalls and Bad Debt Losses

NYISO's annual budget is approximately \$150 million which is collected via a volumetric charge to NYISO market participants. The NYISO forecasts the volume of electricity it expects to flow through its markets for a given year, and divides the annual budget amount by that volume, to produce a rate of dollars per MWh of electricity. If the actual amount of electricity that flows through the NYISO is significantly less than the forecasted amount, there is potential for a significant shortfall in NYISO collecting the \$150 million. In such case, the Authority, as one of approximately 350 NYISO market participants, could have to shoulder a portion of that shortfall. In its twenty-five year history, NYISO has never had to ask market participants to shoulder such a burden.

NYISO has a procedure for collecting "bad debt losses" in the case of a market participant payment default. In such cases, remaining market participants shoulder those defaults via a dollar volume methodology allocation. NYISO has a rigorous credit policy to manage non-payment risks by market participants. Depending on a market participant's creditworthiness, NYISO collects collateral and other forms of security from the market participant to liquidate in the event of a payment default by that market participant. Bad debt losses are only declared after any posted collateral and NYISO collections efforts fail to satisfy the non-payment.

Payments by NYISO to the Authority

The NYISO processes transmission service settlements daily for the preceding day's activity. Settlements are invoiced on a weekly basis and subject to subsequent resettlement based on adjustments to metering data and estimates used in previous invoices. Payments due to the NYISO must be deposited in the NYISO's clearing account by the close of business on the first banking day common to all customers that falls on or after the second business day after the date on which the weekly invoice is issued by the NYISO. Resettlements or true-ups are performed four months after the issuance of the initial invoice for each service month. Customers generally have a five-month period after the posting of a service month's initial invoice to review and challenge their settlements.

FERC REGULATION

The Authority, as a corporate municipal instrumentality and political subdivision of the State, is not a "public utility" under Part II of the FPA, and thus exempt from FPA Part II and FERC's implementing regulations. Notwithstanding this exemption, as described herein, the Authority has placed its transmission facilities under the NYISO OATT and the operational control of the NYISO, which is a public utility under the FPA and, therefore, is subject to some but not all aspects of FERC regulation that relate to Part II of the FPA. For example, due to the Authority's collection of its transmission revenue requirement under a formula rate through the NYISO OATT, the Authority is subject to FERC jurisdiction to ensure that its transmission rate is "just and reasonable" consistent with the FPA, but is exempt from the same detailed financial reporting requirements that apply to a public utility. The Authority is also subject to NYISO requirements as expressed in FERC Order No. 888 (described below) and its progeny, to provide "open access" transmission service to transmission customers, generators, and load serving entities on transmission facilities placed under its operational control throughout New York pursuant to the NYISO OATT.

General

The Energy Policy Act of 1992 (the "Energy Policy Act") established the legal framework that brought about fundamental changes in the electric industry aimed at promoting greater competition in bulk power markets and expanding access to electric transmission service. The Energy Policy Act granted FERC

the authority, upon application by an electric utility, federal power marketing agency, or other power generator, to order a transmitting utility to interconnect its facilities and provide transmission services to the applicant essentially on a cost-of-service basis. State and municipal-owned electric utilities are “transmitting utilities” for purposes of these provisions of the Energy Policy Act.

Following the enactment of the Energy Policy Act, FERC issued Order No. 888 in 1996, which required that all public utilities provide open access transmission services on a non-discriminatory basis by requiring all such public utilities to file tariffs – *i.e.*, OATTs – that offer entities seeking use of the interstate transmission system the same transmission services that transmission-owning public utilities provide themselves under comparable terms and conditions. Order No. 888 also contained a reciprocity provision that requires non-jurisdictional utilities (including state and municipal-owned utilities) that purchase transmission services from public utilities under FERC filed open access tariffs and that own or control transmission facilities to provide open access transmission service to the selling public utility on rates, terms and conditions that are comparable to the service that the non-jurisdictional utility provides itself. Non-jurisdictional utilities can satisfy this provision in a number of ways, including through a bilateral agreement or filing an acceptable safe-harbor open access tariff with FERC. The Authority satisfied FERC’s requirements through the filing of a safe-harbor open access tariff in 1998. The Authority’s tariff was later withdrawn after the NYISO OATT – a tariff encompassing the electricity market for the entire state — became effective in November 1999.

A little over a decade after Order No. 888, FERC expanded its open access transmission service requirements in Order No. 890 by, among other things, modifying the OATT adopted in Order No. 888. Issues addressed in Order No. 890, include rollover rights, the scope of point-to-point transmission service, the scope of network transmission service, creditworthiness standards, pricing for both generator and energy imbalances, available transmission capacity calculations, transmission planning, and open access same-time information system (“OASIS”) postings.

In response to the directives in the Energy Policy Act of 2005 and in furtherance of Order Nos. 888 and 890’s goals of fostering competitive bulk power markets and ensuring that transmission customers have transmission access to such markets, FERC has encouraged, although never required, transmitting utilities to join either independent system organizations (“ISOs”) or regional transmission organizations (“RTOs”). RTOs/ISOs are independent entities that coordinate and provide open access transmission service, along with other wholesale power or transmission related service, over transmission facilities turned over to their operational control by transmission owning public utilities, cooperatives, and state and municipal-owned utilities. RTOs/ISOs must be approved by FERC, have certain characteristics, including independence and operational authority, and provide certain minimum functions like tariff administration and planning.

Following Order Nos. 888 and 890, FERC issued Order No. 1000 which was aimed at reforming FERC’s transmission planning and cost allocation requirements for public utility transmission providers. Order No. 1000 requires each public utility transmission provider to participate in a regional transmission planning process that satisfies the principles of Order No. 890 and produces a regional transmission plan. It also requires local and regional transmission planning processes to consider transmission needs driven by public policy requirements established by state or federal laws or regulations. Finally, it requires public utility transmission providers in neighboring transmission planning regions to coordinate to determine if there are more efficient or cost-effective solutions to meet their mutual transmission needs.

FERC Final Rules Affecting the Federal Regulation of Electric Utilities

Transmission Service and Wholesale Markets. As discussed above, to establish foundations necessary to develop a competitive wholesale electricity market and effectuate the transmission access provisions of the Energy Policy Act, on April 24, 1996, FERC issued Order No. 888 and Order No. 889 on

non-discriminatory open access transmission services by public utilities and stranded cost recovery rules. Order No. 888 requires all public utilities that own, control or operate facilities used for transmitting electric energy in interstate commerce to (i) file open-access, non-discriminatory transmission tariffs containing, at a minimum, the non-price terms and conditions set forth in the order and (ii) functionally unbundle wholesale power services by (1) applying standardized transmission services to all customers, (2) providing separate rates for wholesale generation, transmission and ancillary services and (3) relying on the same electronic information dissemination network by transmission customers when selling and purchasing power. The second final rule, Order No. 889, requires all public utilities to establish or participate in an OASIS that meets certain specifications, and comply with standards of conduct designed to prevent employees of a public utility (or any employees of its affiliates) engaged in wholesale power marketing functions from obtaining preferential access to pertinent transmission system information. FERC has modified its standards of conduct rules over the years, most significantly through Order No. 717 and its progeny starting in 2008. In New York, public utilities and non-FERC-regulated utilities alike are required to comply with those standards of conduct rules through their participation in the NYISO.

FERC stated that its overall objective is to ensure that all participants in wholesale electricity markets have non-discriminatory open access to transmission service, including network transmission service and ancillary services. FERC also indicated that it intends to apply the principles set forth in the Order No. 888 and Order No. 889 to the maximum extent to municipal and other non-FERC regulated utilities, both in deciding cases brought under the Federal Power Act and by requiring such utilities to agree to provide open access transmission service as a condition to securing transmission service from jurisdictional IOUs under open access tariffs.

Although open access requirements set forth in Order Nos. 888, 889, and 890 do not directly regulate municipal, state-owned, and other non-FERC-regulated utilities such as the Authority, they have a significant impact on such utilities' operations. FERC's open access requirements have significantly changed the competitive climate in which the non-FERC regulated utilities operate, giving their customers much greater access to alternative sources of electric transmission services. Transmission owning entities that are exempt from FERC regulation under the FPA still must provide open access transmission service consistent with the requirements for IOUs whenever they are properly requested to do so under the Energy Policy Act or as a condition of taking transmission service from an investor-owned utility. In certain circumstances, the non-FERC-regulated utilities are required to pay compensation to their suppliers of wholesale power and energy for stranded costs that may arise when the non-FERC-regulated utilities exercise their option to switch to an alternative supplier of electricity. The Authority, by placing its facilities under the operational control of the NYISO, is generally subject to FERC's open access requirements. The Authority submits various reports to FERC and substantially conforms to the FERC Uniform System of Accounts in maintaining its books of account, with certain exceptions noted above concerning the financial reporting in support of the Authority's transmission service rate.

Through its issuance of Order No. 1000 in 2011, FERC recognized the need for further transmission planning reforms, having found that that the existing requirements of Order No. 890 were not adequate. Order No. 1000 included reforms intended to ensure that the transmission planning and cost allocation requirements embodied in open access transmission tariffs could support the development of more efficient or cost-effective transmission facilities. The reforms in Order No. 1000 included: (1) regional transmission planning; (2) transmission needs driven by Public Policy Requirements; (3) nonincumbent transmission developer reforms; (4) regional and interregional cost allocation, including a set of principles for each category of cost allocation; and (5) interregional transmission coordination. For the Authority, as a member of the NYISO, this meant being included in regional transmission planning that supports expansion and enhancement of the transmission grid in New York. This takes the form of receiving cost allocations of regional transmission projects selected through the NYISO's competitive Public Policy Transmission

Planning Process (“PPTPP”), and in some cases the Authority’s proposed transmission solutions being selected through the NYISO PPTPP process and being permitted to recover the costs of such projects.

On May 13, 2024, FERC issued Order No. 1920, a final rule after a Notice of Proposed Rulemaking process that began in April 2022. FERC explained that its new rulemaking was undertaken to respond to mounting evidence over past two decades that existing regional transmission planning and cost allocation requirements may be inadequate to ensure that FERC-jurisdictional rates remain just and reasonable and not unduly discriminatory or preferential. Order No. 1920 set out (1) prescriptive requirements for long-term regional transmission planning of no less than 20 years, including specifications for developing long-term scenarios, establishment of certain criteria for evaluating benefits, a detailed evaluation process and selection criteria, and provisions to reevaluate a selected project under certain conditions; (2) coordination of regional transmission planning and generator interconnection processes; (3) consideration of advanced transmission technologies when evaluating new facilities and upgrades; (4) allowance of the cost allocation alternatives; and (5) the establishment of transparency and stakeholder participation in local transmission planning. However, because the NYISO already conducts comprehensive, long-term transmission planning going out 20 years, Order No. 1920 will likely not have a significant impact on NYISO processes or the Authority.

Reliability. The North American Electric Reliability Council (“NERC”) has been designated by FERC as the Electric Reliability Organization under the Energy Policy Act and in that role develops and enforces mandatory reliability standards for the bulk-electric power system. All users, owners, and operators of the bulk-electric power system must comply with the reliability standards. Entities that fail to comply may be subject to monetary and other penalties for violations. Because the NERC standards apply so broadly, FERC and NERC have adopted a compliance registry process to identify users, owners, and operators that are subject to the standards.

In the last several years, FERC has issued a series of orders requiring that NERC implement new standards relating to cybersecurity and risks associated with the supply chain for the bulk-electric system. In Order No. 829 (2016), FERC approved supply chain risk management reliability standards submitted by NERC. The supply chain risk management reliability standards require transmission owners and other entities, including the Authority, to develop plans to address cybersecurity risks from vendor supplied products and services, vendor remote access sessions, and the integrity of software and patches. Subsequently, in Order No. 848 (2018), FERC directed NERC to promulgate a new rule requiring users to report incidents that both compromise or attempt to compromise the bulk-electric system. In addition, in Order No. 851 (2018), FERC approved enhanced requirements related to geomagnetic disturbances. On the incentives side of cybersecurity, in Order No. 893 (2023), FERC addressed incentive-based rate treatments for public utility cybersecurity investments made in the bulk-electric system. Under this rule, FERC permitted regulatory asset treatment for cybersecurity investments but declined to adopt any ROE adder incentive for such investments. (A 200-basis point ROE adder had been proposed in the NOPR.).

The foregoing discussion of certain provisions of the Energy Policy Act or the Energy Policy Act of 2005 does not purport to be a comprehensive discussion of the Energy Policy Act or the Energy Policy Act of 2005. Additional information concerning the Energy Policy Act and the Energy Policy Act of 2005 is available in the public domain. Potential purchasers of the 2024 A Bonds should consider the advisability of obtaining and reviewing such information.

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OTHER REGULATION

The operations of the Authority are subject to regulation or review by various State and federal agencies, discussions of which appear in various segments throughout this Official Statement. The principal agencies having a regulatory impact on, or a monitoring function over, the Authority and the conduct of its activities, are as follows:

New York State

NYISO and Reliability Council

For a description of the NYISO and its present activities, see “PART 2 — NEW YORK INDEPENDENT SYSTEM OPERATOR” herein.

Public Service Commission and Siting Board

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.

Article 10 of the Public Service Law governs the siting and construction of virtually all new electric generating plants of 25 MW or more in the State including any such facilities of the Authority. Pursuant to Article 10, a Siting Board, chaired by the chair of the PSC and comprised of four other state agency officials and two ad hoc members, is empowered to issue Certificates of Environmental Compatibility and Public Need authorizing construction of such plants. The Siting Board is not authorized to accept applications under the new Article 10 until the NYDEC has issued certain regulations involving environmental justice and air quality issues.

Clean Energy Standard

On August 1, 2016, the PSC issued an order establishing a Clean Energy Standard (the “CES Order”) to implement the clean energy goals of the State Energy Plan. Pursuant to the CES Order, load serving entities identified in the order are required to purchase “Zero Emission Credits” (“ZECs”) from NYSERDA to support the preservation of existing at-risk zero emissions nuclear generation. The Authority is not subject to PSC jurisdiction for purposes of the CES Order but expects to assume an obligation to purchase ZECs consistent with the terms of the CES Order and intends to seek recovery of such costs from the Authority’s customers. On January 31, 2017, the Board of Trustees authorized (a) participation in the PSC’s ZEC program and (b) execution of an agreement with NYSERDA to purchase ZECs associated with the Authority’s applicable share of energy sales. The Authority and NYSERDA executed an agreement covering a two-year period from April 1, 2017 to March 31, 2019 under which the Authority committed to purchase ZECs in a quantity based on its proportional load in the New York control area. The Authority and NYSERDA executed an additional agreement covering a nine-year period from April 1, 2020 to April 1, 2029, under which the Authority committed to purchase ZECs in a quantity based on its proportional load in the New York control area, subject to certain adjustments. As of June 30, 2024, the Authority has paid \$440 million in ZEC purchase costs.

Transmission Congestion and System Operation Issues

Infrastructure limitations in the vicinity of the Authority's Niagara Project contribute to transmission congestion that limits the amount of Niagara Project output that can be accommodated on the transmission system. Transmission congestion prevents the full and efficient use of this asset, as well as other generation assets located in Western New York. To begin alleviating this congestion, on July 20, 2015, the PSC issued an order that granted requests from the Authority and National Grid to establish a public policy requirement driving the need for transmission additions to, among other things, enable the Authority to fully operate the Niagara Project and support the import of capacity from Ontario during emergency conditions. The Public Policy Transmission Planning Process (pursuant to FERC Order 1000) initiated the NYISO's competitive solicitation process which resulted in the NYISO Board of Directors selection of the NextEra Energy Transmission New York, Inc. ("NextEra") Empire State Line transmission project on October 17, 2017. NextEra currently has requests pending before the PSC for two regulatory approvals that are necessary before it may begin developing the line. The project is a partial solution to the identified congestion issues and was completed and in-service in June 2022.

New York State Department of Environmental Conservation

The NYDEC administers and manages the State program for oil and chemical containment and spill prevention and provides for abatement of water, land and air pollution. Pursuant to State and federal laws, the NYDEC regulates the transport, treatment and disposal of hazardous and toxic wastes. In addition, the NYDEC regulates the use of tidal and freshwater wetlands and flood plains. Before any State or federal license or permit can be issued for any activity involving a discharge into navigable waters, the NYDEC must certify that the discharge will comply with the State water quality standards, or otherwise waive certification. Certain aspects of the NYDEC's regulatory authority over pollutant discharge permits, air quality and hazardous waste regulation arise from delegation of such authority to the State by federal legislation.

New York State Comptroller

The OSC is required to undertake a "program, financial and operations" audit of the Authority at least once every five years, and the OSC periodically conducts other audits as well. Recent audit reports are available on the OSC's website. No statement on the OSC's website is included herein. OSC has issued regulations that are applicable in whole or in part to many public authorities in the State, including the Authority. Among other things, the regulations require public authorities, including the Authority, to adhere to prescribed budgeting and financial plan procedures, certain financial reporting and certification requirements, and detailed investment guidelines and procedures. In addition, OSC has the discretionary authority to review and approve certain contracts to be entered into by public authorities, including the Authority.

State Inspector General

The Office of the Inspector General (the "OIG") has jurisdiction over the Authority pursuant to The State Executive Law Article 4-A. From time to time, the Authority may be involved in investigations initiated by and engaged in by the OIG and related proceedings. The Authority fully cooperates with the OIG and other federal and state agencies in any applicable proceedings.

Authorities Budget Office

Chapter 506 of the Laws of 2009 created the Authorities Budget Office (the "ABO"). The ABO's responsibilities include conducting reviews of public authorities, assisting public authorities in improving

management practices and procedures, developing oaths of office for public authority board members, and making recommendations to the Governor and Legislature concerning public authorities. In addition, the ABO is authorized to, among other things, receive and act upon complaints regarding public authorities, initiate investigations of public authorities, warn and censure public authorities for non-compliance with the State Public Authorities Law, recommend discipline against public authority officials, and compel public authorities to produce records necessary to enable the ABO to perform its duties.

Department of Financial Services

The DFS is the regulatory agency of captive insurers pursuant to the State Insurance Law. The DFS is the entity responsible for handling incorporation and licensing of captive insurers. After formation, a captive insurer must submit its annual report and audited financial statements to the DFS annually.

Federal

Federal legislation is regularly introduced which could affect the operations of the Authority. The Authority cannot predict which of such legislation might be enacted into law, what form any of such legislation, if enacted, might take or what impact any of such legislation, if enacted, might have on the Authority's operations.

Federal Energy Regulatory Commission

FERC exercises regulatory authority over the NYISO's operations and the Authority participates extensively in the NYISO-administered markets (see "PART 2 — NEW YORK INDEPENDENT SYSTEM OPERATOR"). For a description of FERC, see "PART 2 — FERC REGULATION" herein.

The Authority retains its non-jurisdictional status under Part II of the FPA, which means that FERC does not regulate the Authority with respect to its sales of electric generation in interstate commerce, though the Authority participates fully in the NYISO-administered markets. Through operation of the NYISO OATT, changes to the Authority's ATRR are subject to FERC jurisdiction. FERC is also authorized by the FPA to license the Authority's hydroelectric power plants, to approve interconnection agreements for large and small generators (which utilize approved NYISO form contracts), and to prescribe rules for the sale of electrical energy to and the purchase of energy from qualifying cogeneration and small power production facilities. Additional requirements, such as adding equipment or modifying operations to mitigate a hydroelectric power plant's impact on fish, could be required during the relicensing of the Authority's hydroelectric power plants and result in material costs.

NERC Reliability Standards

Pursuant to the Energy Policy Act, the North American Electric Reliability Corporation ("NERC") has legal authority to enforce comprehensive Reliability Standards for all users, owners, and operators of the bulk power system in the United States, including the Authority. NERC has authority to levy penalties for non-compliance with the Reliability Standards, with fines of up to \$1 million per day per violation for the most serious violations. The Reliability Standards implemented by NERC became effective in 2007 and are modified as necessary to meet reliability issues identified.

Environmental Protection Agency

The Environmental Protection Agency (the "EPA") is the principal agency of the federal government regulating air and water quality and the use, storage and disposal of hazardous substances. While most of its air, water and waste programs have been delegated to the State, the EPA retains approval

authority over the individual state programs, in many instances disapproval authority over individual permit issuance and enforcement authority over all the delegated programs. It is also empowered to initiate administrative and legal action to compel responsible parties to clean up hazardous waste sites. The Authority is subject to EPA rules requiring the securing of routine discharge permits for emissions and effluents from all Authority facilities.

Inflation Reduction Act

On August 16, 2022, the Inflation Reduction Act of 2022 (“IRA”) was signed into law which aims to reduce U.S. carbon emissions and promote economic development through investments in clean and renewable energy projects. The clean energy tax credits created or expanded by the IRA are intended to drive rapid adoption of energy efficiency, electric transportation, and solar energy. The Authority has undertaken initiatives, as listed below, to take advantage of clean energy tax credits by investing in clean energy such as battery storage and solar, transitioning 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 IRS requires pre-filing registration of the projects on which the entity expects to claim tax credits in its tax return. The Authority has completed its pre-filing registration for all its eligible projects and expects to file its tax return by November 2024.

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

The other projects include a 175 kWac rooftop solar installation at the Authority’s Zeltmann facility, development and operation of Direct Current Fast Charger stations, and fleet electrification of light duty assets (sedans, sport utility vehicles and light pickups).

EXECUTIVE ORDER NO. 22

On September 20, 2022, Governor Hochul issued EO No. 22, which, among other things, requires that State entities, including the Authority, adopt a sustainability and decarbonization program. EO No. 22 also established the GreenNY Council, a multi-agency working group co-chaired by the Department of Environmental Conservation, the Division of the Budget, the Office of General Services, the New York State Energy Research and Development Authority, and the Authority. The GreenNY Council will act as the primary body responsible for implementing EO No. 22 by ensuring that State agencies follow best practices in green purchasing and in their operations. Required annual reporting from agencies and authorities will help ensure that the goals of the Order are achieved.

LEGISLATION AFFECTING THE AUTHORITY

Bills are periodically introduced or passed in the State Legislature that propose to limit, restrict, or expand the powers, rights, and exemptions from regulation that the Authority currently possesses under the Power Authority Act and other laws, or could otherwise affect the Authority’s financial condition or its ability to conduct its business, activities, or operations in the manner presently conducted or contemplated hereby. It is not possible to predict whether any such bills or other bills of a similar type which may be introduced or passed in the future, will be enacted.

State Legislation

Agreement of the State

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

Climate Leadership and Community Protection Act

On July 18, 2019, the State enacted the "New York State Climate Leadership and Community Protection Act" as Chapter 106 of the Laws of 2019 (the "Climate Act"). The Climate Act directs the New York State Department of Environmental Conservation (the "NYSDEC") to develop regulations to reduce statewide greenhouse gas emissions ("GHG") to 60% of 1990 levels by 2030 and to 15% of 1990 levels by 2050. The Climate Act includes the goal of having the State obtain 70% of the State's electricity from renewable sources by 2030 and requires that the State offset the remaining 15% of 1990 GHG emissions in 2050. The NYSDEC is currently drafting regulations that would implement these goals.

Several provisions of the Climate Act could potentially impact the Authority's business and operations, such as the following: (1) a requirement that specified State entities, including the Authority, adopt regulations to contribute to achieving statewide GHG emissions; (2) a requirement that State entities, including the Authority, assess and implement strategies to reduce GHG emissions; (3) consideration of whether actions that the Authority would undertake in the course of its operations are consistent with State GHG emission limits that will be established pursuant to the Climate Act; and (4) potential allocation or realignment of resources to support State clean energy and energy efficiency goals for disadvantaged communities.

Renewable Energy Act

The Accelerated Renewable Energy Growth and Community Benefit Act (the "Renewable Energy Act") was enacted as part of the 2020-21 Enacted State Budget and amends State law with respect to the siting of major utility transmission facilities to (1) establish a 12-month target timeframe for the siting of major utility transmission facilities ("MUTFs"); and (2) authorizes the PSC to establish in regulation an expedited 9-month target timeframe for MUTFs that: (a) are constructed within existing rights-of-way, or (b) would not result in any significant adverse environmental impacts considering current uses and conditions existing at the site, as determined by the PSC, in consultation with the NYSDEC, or (c) would necessitate expanding the existing rights-of-way where the expansion is for the purpose of complying with law, regulations or industry practices relating to electromagnetic fields. This new, expedited siting process will be administered through a new siting office to be established within the Department of State. The Renewable Energy Act also establishes a new "Clean Resources Development and Incentives Program" pursuant to which the NYSERDA will establish "build-ready" sites that would be made available to renewables developers through a competitive process, and a host community benefits program to be established by the PSC pursuant to which renewable developers would fund programs to provide benefits to communities that host new renewable generation projects.

The Renewable Energy Act also contains provisions to facilitate new and upgraded distribution and transmission projects that are necessary for the state to avoid congestion and reach the Climate Act targets (the “Transmission Component”). The Legislature found that the Authority owns and operates backbone electric transmission assets in the State, has rights-of-way that can support in whole or in part bulk transmission investment projects, and has the financial stability, access to capital, technical expertise and experience to effectuate expeditious development of bulk transmission investments needed to help the State meet its targets under the Climate Act. As such, the Transmission Component grants the Authority the ability to develop projects which the PSC determines should be pursued expeditiously to promote the State’s public policy goals (“Priority Transmission Projects”).

After the completion of a comprehensive study for the purpose of identifying distribution upgrades, local transmission upgrades and bulk transmission investments that are necessary or appropriate to facilitate the timely achievement of the Climate Act targets (collectively, the “Grid Study”) undertaken by the Department of Public Service (“DPS”) in consultation with the Authority, NYSERDA, LIPA, the NYISO and jurisdictional utilities and transmission operators, the PSC will establish a distribution and local transmission capital plan for each utility in whose service territory the Grid Study identified distribution upgrades and local transmission upgrades that DPS determines are necessary or appropriate to achieve targets set forth in the Climate Act. The upgrade programs shall establish a prioritized schedule upon which each such upgrade shall be accomplished. The PSC will also establish a bulk transmission system investment program that identifies bulk transmission investments it determines to be necessary or appropriate to achieve the Climate Act targets. The PSC will identify transmission projects to meet the Climate Act renewable energy targets utilizing the priority transmission process and the NYISO’s public policy transmission planning process. On October 15, 2020, the PSC identified the Authority’s Smart Path Connect project as a Priority Transmission Project.

Pursuant to the Renewable Energy Act, the Authority is authorized to solicit interest from potential co-participants in each Priority Transmission Project it agrees to develop and assess whether any joint development would provide for significant additional benefits in achieving the Climate Act targets. The Authority may then undertake the development of the Priority Transmission Project on its own or undertake the Priority Transmission Project jointly with one or more other parties. A joint development of a Priority Transmission Project may be accomplished through agreements on such terms and conditions as the Authority finds to be appropriate and necessary in order to undertake and complete timely development of the Priority Transmission Project. Excluded from these Priority Transmission Projects are generation lead lines, and repairs to, replacement of or upgrades to the Authority’s own transmission assets. Any such Priority Transmission Projects could be designated as an SFP Transmission Project and financed with additional SFP Transmission Obligations issued pursuant to the Transmission Resolution. See “PART 2 – THE AUTHORITY — SFP Transmission Projects” herein.

Information on legislation affecting the Authority is also available from many sources in the public domain, and potential purchasers of the 2024 A Bonds should obtain and review such information.

Certain New Legislation Affecting the Authority

Amendments to the Act

As more specifically described in the enactment, and subject to the limitations described therein, the 2023-2024 Enacted State Budget amended the Act to, among other things: (a) expand the Authority’s authority to plan, design, develop, finance, construct, own, operate, maintain and improve, either alone or jointly with other entities, renewable energy generation projects; (b) authorize the Authority to develop and implement, with the PSC, the Renewable Energy Access and Community Help or “REACH” Program, that will enable low-income or moderate-income end-use electricity consumers in disadvantaged communities

to receive bill credits derived from a portion of the revenues generated from new renewable energy generation projects developed or contracted for by the Authority to support the REACH Program; (c) direct the Authority to prepare a plan for ceasing electricity production at its SNGPPs by December 31, 2030, and to cease electricity production by such date if certain conditions are satisfied; and (d) authorize the Authority to make available up to \$25 million annually to the New York State Department of Labor (“DOL”) to fund programs established or implemented by or within the DOL, including, but not limited to, the office of just energy transition and programs for workforce training and retraining to prepare workers for employment for work in the renewable energy field. The enactment also sunsets, as of August 1, 2023, the residential component of a residential/agricultural grower consumer electricity discount program created in 2012 in connection with the RNYPP, which is valued at \$25 million annually. Based on the above legislative changes, there will be no material impact to the Authority from its contribution to the workforce training program. Changes made by these amendments do not affect the Authority’s previously existing statutory authority.

Article 4-D of the Public Buildings Law, added by Part RR of Chapter 56 of the Laws of 2023, authorizes the Authority to establish decarbonization action plans for fifteen state-owned facilities that are among the highest producers of greenhouse gas (“GHG”) emissions and collectively account for at least 30% of the GHG emissions as recorded by the Authority’s Build Smart NY program. The plans are intended to serve as a basis for development of construction plans to decarbonize the state-owned facilities. The Authority is authorized to allocate up to \$30 million to prepare the decarbonization action plans. The above actions, as described in the enactment, are executable as deemed advisable and feasible by the Authority’s Trustees.

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

Governor Hochul approved the “Renewable Action through Project Interconnection and Deployment (‘RAPID’) Act” on April 20, 2024, as part of the 2024-2025 Enacted State Budget. The RAPID Act’s purpose is to streamline the environmental review and siting processes for upgrades to the State’s bulk and local transmission systems and for new renewable generation facilities to enable delivery of renewable energy to consumers and achieve the renewable energy goals of the Climate Act. The RAPID Act consolidates the environmental review, permitting and siting of both major renewable energy generation facilities and major electric transmission facilities under the purview of the Office of Renewable Energy Siting within the Department of Public Service. The RAPID Act will affect the process that the Authority and other developers must follow to apply for permits to site major renewable energy facilities and major electric transmission facilities but is not expected to have a material impact on the Authority’s operations.

New York State Budget and Other Matters

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 Resolution. The General Resolution requirements to withdraw moneys free and clear of the lien and pledge created by the General 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. See “PART 2 — APPENDIX 1 — SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION — Operating Fund.”

In 2011, the Authority’s Trustees adopted the 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 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, 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 \$20 million for the state fiscal year commencing April 1, 2024, to support energy related State activities.

Chapter 56 of the Laws of 2024, part of the 2024-2025 Enacted State Budget, also provides that notwithstanding any provision of law to the contrary, as deemed feasible and advisable by the 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, 2024, to support certain energy workforce development programs. See “PART 2 - THE AUTHORITY — Expanded Authority” above. The Authority’s Trustees authorized the expenditure of \$14.15 million for such programs.

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

Section 2975 and Governmental Cost Recovery Alternatives

Section 2975 of the New York Public Authorities Law establishes a Governmental Cost Recovery System, pursuant to which certain public authorities and public benefit corporations, defined as having three or more members appointed by the Governor, are subjected to assessment for the costs of central governmental services attributable to such public authorities and public benefit corporations, pursuant to a statutory assessment methodology. Such a public authority or public benefit corporation may, however, pursuant to Section 2975, opt to enter into an agreement with the State Director of the Budget providing for alternative cost recovery to the State. Consistent with such alternative agreement mechanism, the Authority in the past has voluntarily entered into agreements with the Division of the Budget pursuant to which the Authority has made payments to the State relating to such cost recovery assessments.

Information on legislation affecting the Authority is also available from many sources in the public domain, and potential purchasers of the 2024 A Bonds should obtain and review such information.

CERTAIN FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY AND THE AUTHORITY

Regulation Generally

The operations of the Authority are subject to regulation or review by various State and federal agencies. The agencies having a regulatory impact on, or a monitoring function over, the Authority and the conduct of its activities, include, without limitation, FERC, the EPA, NYDEC, the New York State Comptroller, the New York State Inspector General, and the New York State Authorities Budget Office.

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

Electric utilities 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.

Certain environmental laws can impose the entire cost or a portion of the cost of investigating and cleaning up a contaminated site, regardless of fault, upon any one or more of a number of parties, including the current or previous owners or operators of the site. These environmental laws also impose liability on any person who arranges for the disposal or treatment of hazardous substances at a contaminated site. Some of the sites that the Authority currently or historically has owned or operated potentially could require investigation or remediation under environmental laws which could result in material costs for the Authority. The Authority has pollution liability coverage under its General Liability Excess Tower, which would cover certain instances of third-party tort claims involving pollution discharge by the Authority, but it does not have specific environmental coverage for remediation costs.

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 demand for electric energy, or suppress 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. With over 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 and 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 (CSF) assessment with a third-party on an annual basis. In addition, the Authority received an advanced BitSight rating of 760 equating to strong security performance and lower risk for 2023. Finally, the Authority won first place in "The Grid Netwars Red Team/Blue Team" challenge organized by the DOE Office of Cybersecurity, Energy Security, and Emergency Response in 2024.

The Authority maintains a Cyber Resilience Insurance Policy with an aggregate limit of \$65 million. Additionally, through its 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 via the use of 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 2024 A Bonds should obtain and review such information.

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SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION

The following is a summary of certain provisions of the General Resolution. The following summary is not to be considered a full statement of the terms of the General Resolution and, accordingly, is qualified by reference thereto and is subject to the full text thereof. Capitalized terms not otherwise previously defined in this Official Statement or defined below have the meaning set forth in the General Resolution.

Definitions

The following are definitions in summary form of certain terms contained in the General Resolution and used hereinafter:

Authorized Investments means and includes any of the following securities, if and to the extent the same are at the time legal for investment of the Authority's funds pursuant to any law, to the extent permitted under any applicable regulation, guideline and policy of the Authority as each is in effect from time to time: (i) any security which is (a) a direct obligation of, or is unconditionally guaranteed by, the United States of America or the State for the payment of which the full faith and credit of the United States of America or the State is pledged or (b) an obligation of an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America; (ii) any obligation of any state or political subdivision of a state or of any agency or instrumentality of any state or political subdivision ("Municipal Bond") which Municipal Bond is fully secured as to principal and interest by an irrevocable pledge of moneys or direct and general obligations of, or obligations guaranteed by, the United States of America, which moneys or obligations are segregated in trust and pledged for the benefit of the holder of the Municipal Bond, and which Municipal Bond is rated in the highest Rating Category by at least two Rating Agencies and provided, however, that such Municipal Bond is accompanied by (1) a Counsel's Opinion to the effect that such Municipal Bond is not subject to redemption prior to the date the proceeds of such Municipal Bond will be required for the purposes of the investment being made therein and (2) a report of a nationally recognized independent certified accountant verifying that the moneys and obligations so segregated are sufficient to pay the principal of, premium, if any, and interest on the Municipal Bond; (iii) bonds, debentures, notes or other obligations issued or guaranteed by any of the following: Federal National Mortgage Association (including Participation Certificates), Government National Mortgage Association, Federal Financing Bank, Federal Home Loan Mortgage Corporation and Federal Home Loan Banks, the Federal Housing Administration, the Federal Farm Credit Banks Funding Corporation, Federal Farm Credit Banks, Federal Intermediate Credit Banks, Federal Banks for Cooperatives, Federal Land Banks, or any other agency controlled by or supervised by and acting as an instrumentality of the United States government; (iv) obligations of any state of the United States of America or any political subdivision thereof or any agency, instrumentality or local government unit of any such state or political subdivision which shall be rated at the time of the investment in any of the three highest long-term Rating Categories or the highest short-term Rating Category by a Rating Agency; (v) certificates or other instruments that evidence ownership of the right to payments of principal of or interest on Municipal Bonds provided that such obligations shall be held in trust by a Bank meeting the requirements for a successor Trustee pursuant to the General Resolution, and provided further that the payments of all principal of and interest on such certificates or such obligations shall be fully insured or unconditionally guaranteed by, or otherwise unconditionally payable pursuant to a credit support arrangement provided by, one or more financial institutions or insurance companies or associations which at the date of investment shall have an outstanding, unsecured, uninsured and unguaranteed debt issue rated in the highest Rating Category by a Rating Agency or, in the case of an insurer providing municipal bond insurance policies insuring the payment, when due, of the principal of and interest on Municipal Bonds,

such insurance policy shall result in such Municipal Bonds being rated in the highest Rating Category by a Rating Agency; (vi) certificates that evidence ownership of the right to payments of principal of or interest on obligations described in clause (i) or (ii) above, provided that such obligations shall be held in trust by a Bank meeting the requirements for a successor Trustee pursuant to the General Resolution; (vii) certificates of deposit, whether negotiable or non-negotiable, and banker's acceptances of the 25 largest Banks (measured by aggregate capital and surplus) in the United States or commercial paper issued by the parent holding company of any such Bank which at the time of investment has an outstanding unsecured, uninsured and unguaranteed debt issue rated in the highest short-term Rating Category by a Rating Agency (including the Trustee and its parent holding company, if any, if it otherwise qualifies); (viii) any repurchase agreement or other investment agreement with any Bank as defined in clause (i) or (ii) of the definition thereof or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by any one or more of the securities described in clause (i) or (iii) above, which securities shall at all times have a market value of not less than the full amount of the repurchase agreement and be delivered to another such Bank, as custodian; (ix) any agreement or other investment agreement with any insurance company or reinsurance company or investment affiliates thereof the obligations of which are rated by a Rating Agency in one of the two highest Rating Categories, which agreement is continuously secured by any one or more of the securities described in clause (i) or (iii) above, which securities shall at all times have a market value of not less than the full amount held or invested pursuant to the agreement and be delivered to a Bank as defined in clause (i) or (ii) of the definition thereof, as custodian; (x) obligations of any domestic corporation which shall be rated at the time of the investment in either of the two highest long-term Rating Categories or the highest short-term Rating Category by a Rating Agency; and (xi) any other investment in which the Authority is permitted to invest under applicable law, notwithstanding any limitations set forth in clauses (i) through (x) above.

Authorized Officer means any trustee of the Authority or officer of the Authority and any other person authorized by by-laws or resolution of the Authority to perform the act or sign the document in question.

Bank means any (i) bank or trust company organized under the laws of any state of the United States of America, (ii) national banking association, (iii) savings bank or savings and loan association chartered or organized under the laws of any state of the United States of America, or (iv) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provisions of law, or domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America.

Capital Costs means the Authority's costs of (i) physical construction of or acquisition of real or personal property or interests therein for any Project, together with incidental costs, working capital and reserves deemed necessary or desirable by the Authority and other costs properly attributable thereto; (ii) all capital improvements or additions, including but not limited to, renewals or replacements of or repairs, additions, improvements, modifications or betterments to or for any Project; (iii) the acquisition of any other real property, capital improvements or additions, or interests therein, deemed necessary or desirable by the Authority for the conduct of its business; (iv) any other purpose for which bonds, notes or other obligations of the Authority may be issued under the Act or under other applicable State statutory provisions (whether or not also classifiable as an Operating Expense); and (v) the payment of principal, interest, and redemption, tender or purchase price of any (a) Obligations issued by the Authority for the payment of any of the costs specified above, (b) any Obligations issued to refund such Obligations, or (c) Obligations issued to pay capitalized interest; provided, however, that the term Capital Costs shall not include any costs of the Authority relating to a Separately Financed Project.

Capital Fund means the fund by that name established pursuant to the General Resolution.

Commercial Paper Notes means any notes issued and outstanding at any time under the Commercial Paper Resolution.

Commercial Paper Resolution means the Amended and Restated Resolution Authorizing Commercial Paper Notes adopted by the Authority on November 25, 1997, as the same has been and may be amended and supplemented in accordance with its terms.

Counsel's Opinion means an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the Authority.

Credit Facility means any letter of credit, standby bond purchase agreement, line of credit, policy of bond insurance, surety bond, guarantee or similar instrument, or any agreement relating to the reimbursement thereof, which is obtained by the Authority and is issued by a financial, insurance or other institution and which provides security or liquidity in respect of any Outstanding Obligations or Subordinated Indebtedness.

Defeasance Security means (a) an Authorized Investment as specified in clause (i) of the definition thereof, which is not callable or redeemable at the option of the issuer thereof; (b) any depositary receipt issued by a Bank as custodian with respect to any Defeasance Security which is specified in clause (a) above and held by such Bank for the account of the holder of such depositary receipt, or with respect to any specific payment of principal or interest on any such Defeasance Security which is so specified and held, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the Defeasance Security or the specific payment of principal or interest evidenced by such depositary receipt; (c) any certificate of deposit specified in clause (vii) of the definition of Authorized Investments, including certificates of deposit issued by the Trustee or by a Paying Agent; (d) an Authorized Investment as specified in clause (ii) of the definition thereof and (e) any other security designated in a Supplemental Resolution as a Defeasance Security for purposes of defeasing Obligations authorized by such Supplemental Resolution.

Event of Default has the meaning provided in the discussion of **Event of Default** below.

Fiduciary or Fiduciaries means the Trustee, any Registrar, any Paying Agent, or any or all of them, as may be appropriate.

General Resolution means the Power Authority of the State of New York General Resolution authorizing Revenue Obligations adopted on February 24, 1998, as from time to time amended or supplemented by any Supplemental Resolutions.

Obligations means any obligations, issued in any form of debt, authorized by a Supplemental Resolution, including, but not limited to, bonds, notes, bond anticipation notes, and commercial paper, which are delivered under the General Resolution, but such term shall not include any Subordinated Contract Obligation or Subordinated Indebtedness.

Operating Expenses means the Authority's expenses for operation, maintenance, ordinary repairs and ordinary replacements of any Project, including, without limiting the generality of the foregoing, the costs of supplies, fuel, fuel assemblies and components required by the Authority for the operation of any Project (including any payments made pursuant to a "take-or-pay" fuel supply or energy contract that obligates the Authority to pay for fuel, energy or power regardless of whether fuel or energy is delivered or made available for delivery, other than any such contract or portion thereof that is designated by the Authority as either a Subordinated Contract Obligation or a Parity Contract Obligation), administrative

expenses, insurance premiums, legal and engineering expenses, consulting and technical services, payments for energy conservation and load management programs, payments relating to fuel or electricity hedging instruments, payments for employee benefits, including payments to savings, pension, retirement, health and hospitalization funds, charges payable by the Authority pursuant to any licenses, orders or mandates from any agency or regulatory body having lawful jurisdiction, any payments in lieu of taxes or other payments to municipal governments agreed to be paid by the Authority and any taxes, governmental charges, and any other expenses required to be paid by the Authority, all to the extent properly and directly attributable to any Project; financing costs of any Series of Obligations; the expenses, liabilities and compensation of the Fiduciaries required to be paid under the General Resolution or pursuant to any agreement executed by the Authority; all costs and expenses associated with or arising out of the research, development (including feasibility and other studies) and/or implementation of any project, facility, system, task or measure deemed desirable or necessary by the Authority; and all other costs and expenses arising out of or in connection with the conduct of Authority business, including those expenses the payment of which is not immediately required, such as those expenses referenced in the second paragraph of the discussion of Operating Fund. Notwithstanding the foregoing, Operating Expenses shall not include (i) any costs and expenses attributable to a Separately Financed Project, or (ii) any costs or expenses for new construction or for reconstruction other than restoration of any part of a Project to the condition of serviceability thereof when new.

Operating Fund means the fund by that name established pursuant to the General Resolution.

Outstanding, when used with reference to Obligations or Obligations of a Series, means, as of any date, Obligations or Obligations of such Series theretofore or thereupon being delivered under the General Resolution except: (i) Any Obligations cancelled at or prior to such date; (ii) Obligations the principal and Redemption Price, if any, of and interest on which have been paid in accordance with the terms thereof; (iii) Obligations in lieu of or in substitution for which other Obligations shall have been delivered pursuant to the General Resolution; (iv) Obligations deemed to have been paid as provided in the General Resolution; and (v) Put Obligations tendered or deemed tendered in accordance with the provisions of the Supplemental Resolution authorizing such Obligations on the applicable tender date, if the purchase price thereof and interest thereon shall have been paid or amounts are available and set aside for such payment as provided in such Supplemental Resolution, except to the extent such tendered Put Obligations thereafter may be resold pursuant to the terms thereof and of such Supplemental Resolution.

Owner or any similar terms, means the registered owner of any Obligation as shown on the books for the registration and transfer of Obligations maintained in accordance with the General Resolution.

Parity Contract Obligation has the meaning provided in the discussion of **Credit Facilities; Qualified Swaps and Other Similar Arrangements; Parity Debt** herein.

Parity Debt means any Parity Contract Obligation, Parity Reimbursement Obligation or Parity Swap Obligation.

Parity Reimbursement Obligation has the meaning provided in the discussion of **Credit Facilities; Qualified Swaps and Other Similar Arrangements; Parity Debt** herein.

Parity Swap Obligation has the meaning provided in the discussion of **Credit Facilities; Qualified Swaps and Other Similar Arrangements; Parity Debt** herein.

Paying Agent means any paying agent for the Obligations of any Series and its successor or successors and any other Person which may at any time be substituted in its place pursuant to the General Resolution.

Person means any individual, corporation, firm, partnership, joint venture, association, joint-stock company, trust, unincorporated association, limited liability company, or other legal entity or group of entities, including a governmental entity or any agency or subdivision thereof.

Project means any project, facility, system, equipment, or material related to or necessary or desirable in connection with the generation, production, transportation, distribution, transmission, delivery, storage, conservation, purchase or use of energy or fuel, whether owned jointly or singly by the Authority, including any output in which the Authority has an interest, heretofore or hereafter authorized by the Act or by other applicable State statutory provisions; provided, however, that the term "Project" shall not include any Separately Financed Project.

Purchase Price means, with respect to any Obligation, 100% of the principal amount thereof plus accrued interest, if any, plus in the case of an Obligation subject to mandatory tender for purchase on a date when such Obligation is also subject to optional redemption at a premium, an amount equal to the premium that would be payable on such Obligation if redeemed on such date.

Put Obligations means Obligations which by their terms may be tendered by and at the option of the owner thereof, or are subject to a mandatory tender, for payment or purchase prior to the stated maturity or redemption date thereof.

Qualified Swap means, to the extent from time to time permitted by law, with respect to Obligations, any financial arrangement (i) which is entered into by the Authority with an entity that is a Qualified Swap Provider at the time the arrangement is entered into, (ii) which is a cap, floor or collar; forward rate; future rate; swap (such swap may be based on an amount equal either to the principal amount of such Obligations of the Authority as may be designated or a notional principal amount relating to all or a portion of the principal amount of such Obligations); asset, index, price or market linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto, executed by the Authority for the purpose of moderating interest rate fluctuations or otherwise, and (iii) which has been designated in writing to the Trustee by an Authorized Officer as a Qualified Swap with respect to such Obligations.

Qualified Swap Provider means an entity whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations, financial program rating, counterparty rating or claims paying ability, are rated either (i) at least as high as the third highest Rating Category of each Rating Agency then maintaining a rating for the Qualified Swap Provider, but in no event lower than any Rating Category designated by each such Rating Agency for the Obligations subject to such Qualified Swap, or (ii) any such lower Rating Categories which each such Rating Agency indicates in writing to the Authority and the Trustee will not, by itself, result in a reduction or withdrawal of its rating on the Outstanding Obligations subject to such Qualified Swap that is in effect prior to entering into such Qualified Swap.

Rating Agency means each nationally recognized securities rating agency then maintaining a rating on the Obligations at the request of the Authority.

Rating Category means one of the generic rating categories of any Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

Redemption Price means, with respect to any Obligation, 100% of the principal amount thereof plus the applicable premium, if any, payable upon the redemption thereof pursuant to the General Resolution.

Registrar means any registrar for the Obligations of any Series and its successor or successors and any other Person which may at any time be substituted in its place pursuant to the General Resolution.

Revenues means all revenues, rates, fees, charges, rents, proceeds from the sale of Authority assets, proceeds of insurance, 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, but not including any such income or receipts attributable directly or indirectly to the ownership or operation of any 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.

Separately Financed Project means any project described as such pursuant to the General Resolution.

Series means all of the Obligations delivered on original issuance pursuant to a single Supplemental Resolution and denominated therein a single series, and any Obligations thereafter delivered in lieu of or in substitution therefor pursuant to the General Resolution, regardless of variations in maturity, interest rate, or other provisions.

Subordinated Contract Obligation means any payment obligation (other than a payment obligation constituting Parity Debt or Subordinated Indebtedness) arising under (a) any Credit Facility which has been designated as constituting a "Subordinated Contract Obligation" in a certificate of an Authorized Officer delivered to the Trustee, (b) any Qualified Swap which has been designated as constituting a "Subordinated Contract Obligation" in a certificate of an Authorized Officer delivered to the Trustee, and (c) any other contract, agreement or other obligation authorized by resolution of the Authority and designated as constituting a "Subordinated Contract Obligation" in a certificate of an Authorized Officer delivered to the Trustee. Each Subordinated Contract Obligation shall be payable from the Trust Estate subject and subordinate to the payments to be made with respect to the Obligations and Parity Debt, as provided for in the General Resolution and which shall be 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 pursuant to the General Resolution for the payment of the Obligations and Parity Debt.

Subordinated Indebtedness means any Commercial Paper Notes, and any bond, note or other indebtedness authorized by resolution of the Authority and designated as constituting "Subordinated Indebtedness" in a certificate of an Authorized Officer delivered to the Trustee, which shall be payable from the Trust Estate subject and subordinate to the payments to be made with respect to the Obligations and Parity Debt and which shall be 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 the Obligations and Parity Debt.

Supplemental Resolution means any resolution supplemental to or amendatory of the General Resolution, adopted by, or adopted pursuant to authorization granted by, the Authority in accordance with the General Resolution.

Trust Estate means, collectively: (i) all Revenues; (ii) the proceeds of the 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 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 hereafter by delivery or by writing of any kind conveyed,

mortgaged, pledged, assigned or transferred as and for additional security pursuant to the General Resolution for the Obligations by the Authority, or by anyone on its behalf, or with its written consent, to the Trustee, which is authorized to receive any and all such property at any and all times, and to hold and apply the same subject to the terms of the General Resolution.

Trustee means the trustee appointed in accordance with the General Resolution, and its successor or successors and any other Person which may at any time be substituted in its place pursuant to the General Resolution.

(General Resolution, Sec. 101)

Conditions for Issuance of Obligations

General Provisions for Issuance of Obligations. Obligations may be issued pursuant to a Supplemental Resolution in such principal amount or amounts for each such Series as may be specified in such Supplemental Resolution. A Supplemental Resolution shall specify, among other things, the purpose or purposes for which such Obligations are being issued, the authorized principal amount and Series of such Obligations, the maturity date or dates and interest rate or rates of the Obligations and the forms of the Obligations which shall specify terms with respect to tender or redemption, if any. Such Obligations shall be delivered by the Authority under the General Resolution upon the delivery of, among other things, a Supplemental Resolution authorizing such Obligations, a Counsel's Opinion with respect to the validity of the Obligations and a certificate of an Authorized Officer to the effect that, upon delivery of the Obligations, the Authority will not be in default in the performance of the terms and provisions of the General Resolution or of any of the Obligations.

(General Resolution, Sec. 202)

Separately Financed Project. Nothing in the General Resolution shall prevent the Authority from authorizing and issuing bonds, notes, or other obligations or evidences of indebtedness, other than Obligations, for any purpose of the Authority authorized by the Act or by other applicable State statutory provisions (such purpose being referred to herein as a "**Separately Financed Project**"), if the debt service on such bonds, notes, or other obligations, or evidences of indebtedness, if any, and the Authority's share of any operating expenses related to such Separately Financed Project, shall be payable solely from the revenues or other income derived from the ownership or operation of such Separately Financed Project or from other funds withdrawn by the Authority pursuant to the General Resolution.

(General Resolution, Sec. 203)

Book-Entry-Only System

Notwithstanding any other provision of the General Resolution, the Authority may employ a book-entry-only system of registration with respect to any Obligations, all as more fully set forth in the General Resolution and the Supplemental Resolution authorizing such Obligations. Any provisions of the General Resolution inconsistent with book-entry-only Obligations shall not be applicable to such book-entry-only Obligations.

(General Resolution, Sec. 309)

Credit Facilities; Qualified Swaps and Other Similar Arrangements; Parity Debt

The Authority may include such provisions in a Supplemental Resolution authorizing the issuance of a Series of Obligations secured by a Credit Facility as the Authority deems appropriate, and no such provisions shall be deemed to constitute an amendment to the General Resolution.

The Authority may secure such Credit Facility by an agreement providing for the purchase of the Obligations secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as specified by the Authority in the applicable Supplemental Resolution. The Authority may also in an agreement with the issuer of such Credit Facility agree to directly reimburse such issuer for amounts paid under the terms of such Credit Facility (together with interest thereon, the “**Reimbursement Obligation**”); provided, however, that no Reimbursement Obligation shall be created, for purposes of the General Resolution, until amounts are paid under such Credit Facility. Any such Reimbursement Obligation which may include interest calculated at a rate higher than the interest rate on the related Obligation, may be secured by a pledge of, and a lien on, the Trust Estate on a parity with the lien created by the General Resolution to secure the Obligations (a “**Parity Reimbursement Obligation**”), but only to the extent principal amortization requirements with respect to such reimbursement are equal to the amortization requirements for such related Obligations, without acceleration, or may constitute a Subordinated Contract Obligation, as determined by the Authority. Parity Reimbursement Obligations shall not include any payments of any fees, expenses, indemnification, or other obligations to any such provider, or any payments pursuant to term-loan or other principal amortization requirements in reimbursement of any such advance that are more accelerated than the amortization requirements on such related Obligations, which payments shall be Subordinated Contract Obligations.

In connection with the issuance of any Obligations or at any time thereafter so long as Obligations remain Outstanding, the Authority also may, to the extent from time to time permitted pursuant to law, enter into Qualified Swaps. The Authority’s obligation to pay any amount under any Qualified Swap may be secured by a pledge of, and a lien on, the Trust Estate on a parity with the lien created pursuant to the General Resolution to secure the Obligations (a “**Parity Swap Obligation**”), or may constitute a Subordinated Contract Obligation, as determined by the Authority. Parity Swap Obligations shall not include any payments of any termination or other fees, expenses, indemnification or other obligations to a counterparty to a Qualified Swap, which payments shall be Subordinated Contract Obligations.

The Authority’s obligation to pay that portion of any rates, fees, charges or payments which the Authority is contractually obligated to pay to another entity for fuel, energy or power, for the specific purpose of meeting principal or interest or both on that entity’s obligations directly associated with such contract and payable to such entity regardless of whether fuel or energy is delivered or made available for delivery, may be secured by a pledge of, and lien on, the Trust Estate on a parity with the lien created by the General Resolution to secure the Obligations (a “**Parity Contract Obligation**”), or may constitute a Subordinated Contract Obligation or an Operating Expense, as determined by the Authority.

(General Resolution, Sec. 310)

Pledge of Revenues and Funds

The Trust Estate is pledged for the payment of the principal and Redemption Price of, and interest on, the Obligations and, on a parity basis, the Parity Debt, in accordance with their terms and the provisions of the General Resolution.

(General Resolution, Sec. 501)

The General Resolution establishes the following funds:

Operating Fund, to be held by the Authority, and

Capital Fund, to be held by the Authority.

The Authority may establish one or more additional funds, accounts or subaccounts by delivering to the Trustee a certificate of an Authorized Officer. The Trustee shall have no obligation to invest or reinvest any amounts held thereunder in absence of written investment direction from the Authority.

(General Resolution, Sec. 502)

Operating Fund

The General Resolution provides that the Authority shall pay into the Operating Fund all Revenues as and when received. The Authority shall also pay into the Operating Fund such portion of the proceeds of any Series of Obligations which may have been issued to pay Operating Expenses as shall be specified pursuant to the Supplemental Resolution authorizing such Series. Amounts in the Operating Fund shall be paid out or accumulated or withdrawn from time to time for the following purposes and, as of any time, in the following order of priority: (a) 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, 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; (b) payment of, or accumulation in the Operating Fund as a reserve for the payment of, interest on and the principal or Redemption Price of the Obligations and the payment of Parity Debt, on a parity basis, on their respective due dates or redemption date, as the case may be; (c) payment of principal of and interest on any Subordinated Indebtedness or payment of amounts due under any Subordinated Contract Obligation; (d) withdrawal and deposit in the Capital Fund; and (e) 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, provided, that prior to any withdrawal pursuant to this clause (e), 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 (a), (b) or (c) herein. Amounts paid out, or withdrawn pursuant to clause (e) shall be free and clear of the lien and pledge created by the General Resolution.

The Authority shall from time to time, and in all events prior to any withdrawal of moneys from the Operating Fund pursuant to clause (e) of the preceding paragraph, determine (i) the amount, to be held as a reserve in the Operating Fund, which in the judgment of the Authority is adequate for the purpose of providing for the costs of emergency repairs or replacements essential to restore or prevent physical damage to, and prevent loss of Revenues from, any Project and (ii) the amount, to be held as a reserve in the Operating Fund, which in the judgment of the Authority is adequate to meet the costs of major renewals, replacements, repairs, additions, betterments and improvements with respect to any Project necessary to keep the same in operating condition or required by any governmental agency having jurisdiction over such

Project and to provide a reserve for the retirement from service, decommissioning or disposal of facilities comprising either a Project or a part of a Project.

Amounts in the Operating Fund may in the discretion of the Authority be invested in Authorized Investments. Earnings on moneys and investments in the Operating Fund shall be deposited in the Operating Fund. The Authority may sell any such Authorized Investments at any time and the proceeds of such sale and of all payments of principal or interest received at maturity or upon redemption or otherwise of such Authorized Investments shall be deposited in the Operating Fund.

The General Resolution provides that purchases of Obligations or Subordinated Indebtedness from amounts in the Operating Fund shall be made at the direction of the Authority, with or without advertisement and with or without notice to other holders of Obligations or Subordinated Indebtedness. In addition, any amounts set aside by the Authority in one or more reserve accounts in the Operating Fund may be used by the Authority as determined by the Authority for the purpose of paying all or a portion of the interest on and the principal or Redemption Price of Obligations and payment of Parity Debt, on a parity basis.

(General Resolution, Sec. 503)

Capital Fund

The General Resolution provides that the Authority shall pay into the Capital Fund the amounts required to be so paid pursuant to the General Resolution and any Supplemental Resolution authorizing the issuance of any Series of Obligations, for the purpose of financing Capital Costs, including, without limitation, the portion of the proceeds of any such Obligations specified in such Supplemental Resolution, except as may be otherwise provided in a Supplemental Resolution with respect to those Capital Costs referenced in clauses (iv) or (v) of the definition thereof. Amounts in the Capital Fund shall be applied solely to the Capital Costs of the Authority. Any amounts in the Capital Fund which are in excess of the amounts required to pay for such costs may at the direction of the Authority be transferred to the Operating Fund. Amounts in the Capital Fund may in the discretion of the Authority be invested in Authorized Investments. Earnings on moneys and investments in the Capital Fund shall be deposited in the Capital Fund. The Authority may, and to the extent required for payments from the Capital Fund shall, sell any such obligations at any time, and the proceeds of such sale and of all payments of principal or interest received at maturity or upon redemption or otherwise of such obligations shall be deposited in the Capital Fund. In addition, the General Resolution requires that amounts in the Capital Fund must be applied to the payment of principal and Redemption Price of and interest on the Obligations and the payment of Parity Debt, on a parity basis, when due at any time that other moneys are not available therefor.

(General Resolution, Sec. 504)

Operation and Maintenance Covenant

The Authority shall at all times operate or cause to be operated each Project in a sound and economical manner and shall maintain, preserve and keep the same or cause the same to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation thereof may be properly and advantageously conducted; provided, however, that nothing herein contained shall be construed to prevent the Authority from ceasing to operate or maintain, or from leasing or disposing of, any Projects (other than, subject to the renewal of all operating licenses, 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 shall not be essential to the maintenance and continued operation of the rest of the Authority's Projects, and provided, further,

however, the sale-leaseback or the lease-leaseback of any Project or other similar contractual arrangements, the effect of which is that the Authority continues to retain as part of the Trust Estate the Revenues from such Project, shall not constitute a lease or disposition of such Project for purposes of Section 605 of the General Resolution.

(General Resolution, Sec. 605)

Rate Covenant

The Authority 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 evidences 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 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 Resolution, in such amount as may be determined from time to time by the Authority in its judgment.

(General Resolution, Sec. 606)

Supplemental Resolutions; Amendments

Any of the provisions of the General Resolution may be amended by the Authority, upon the written consent of the Owners of a majority in principal amount of the Obligations so affected and Outstanding at the time such consent is given, and in case less than all of the Obligations then Outstanding are affected by the modification or amendment, of the Owners of a majority in principal amount of the Obligations so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as particular Obligations remain Outstanding, the consent of the Owners of such Obligations shall not be required and such Obligations shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Obligations under the General Resolution. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Obligation or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owner of such Obligation, or shall reduce the percentages or otherwise affect the classes of Obligations the consent of the Owners of which is required to waive an Event of Default or otherwise effect any such modification or amendment, create a preference or priority of any Obligation or Obligations over any other Obligation or Obligations (without the consent of the Owners of all such Obligations), create a lien prior to or on a parity with the lien of the General Resolution, without the consent of the Owners of all of the Obligations then Outstanding, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For purposes of this paragraph, an Obligation shall be deemed to be affected by a modification or amendment of the General Resolution if the same materially and adversely affects the rights of the Owner of such Obligation.

The Authority may adopt (without the consent of any Owner) supplemental resolutions to authorize additional Obligations; to add to the restrictions contained in the General Resolution upon the issuance of additional indebtedness; to add to the covenants of the Authority contained in, or surrender any rights reserved to or conferred upon it by, the General Resolution; to confirm any pledge under the General Resolution of Revenues or other moneys; to amend the General Resolution in such manner as to permit

qualification of the General Resolution under the Trust Indenture Act of 1939 or any similar federal statute and permit the qualification of the Obligations for sale under the securities laws of any state in the United States; to comply with such regulations and procedures as are from time to time in effect relating to establishing and maintaining a book-entry-only system; or otherwise to modify any of the provisions of the General Resolution (but no such other modification may be effective while any of the Obligations of any Series theretofore issued are Outstanding); or to cure any ambiguity, supply any omission or to correct any defect or inconsistent provision in the General Resolution or to insert such provisions or make such other amendments to the General Resolution as are necessary or desirable which will not be materially adverse to the rights of the Owners of Obligations (provided that the Trustee shall consent thereto).

(General Resolution, Secs. 801, 802, and 902)

Event of Default; Remedies Upon Default

Pursuant to the General Resolution, any of the following events set forth in clauses (i) through (v) constitutes an “Event of Default” if the Authority defaults (i) in the payment of principal or Redemption Price of any Obligation, or (ii) in the payment of interest thereon and such default continues for 30 days, or (iii) in the performance or observance of any other covenant, agreement or condition in the General Resolution or the Obligations, and such default continues for 60 days after written notice thereof, provided, however, that if such default shall be such that it cannot be corrected within such 60 day period, it shall not constitute an Event of Default if corrective action is instituted within such period and diligently pursued until the failure is corrected, or (iv) if the Authority (1) files a petition seeking a composition of indebtedness under the federal bankruptcy laws, or any other applicable law or statute of the United States of America or of the State; (2) consents to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar official of the Authority or any substantial portion of its property; (3) makes any assignment for the benefit of creditors; (4) admits in writing its inability generally to pay its debts generally as they become due; or (5) takes action in furtherance of any of the foregoing or (v) if (1) a decree or order for relief is entered by a court having jurisdiction of the Authority adjudging the Authority a bankrupt or insolvent or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition in respect of the Authority in an involuntary case under the federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State; (2) a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar official of the Authority or of any substantial portion of its property is appointed; or (3) the winding up or liquidation of its affairs is ordered and the continuance of any such decree or order remains unstayed and in effect for a period of sixty (60) consecutive days. Upon an Event of Default so long as such Event of Default shall not have been remedied, unless the principal of all the Obligations shall have already become due and payable, either the Trustee or the Owners of 25% in principal amount of the Obligations then Outstanding may declare the principal and accrued interest on the Obligations then Outstanding due and payable immediately, subject, however, to rescission of such declaration and annulment of the default upon the remedying thereof.

Under the General Resolution, the Authority covenants that upon a default the books of record of the Authority and all other records relating to all projects and facilities of the Authority will be subject to the inspection and use by the Trustee, and that the Authority will, upon demand by the Trustee, account for the Trust Estate under the General Resolution as if the Authority were the trustee of an express trust. Upon a default, the Trustee may protect and enforce its and the Owners’ rights under the General Resolution by a suit in equity or at law, whether for the specific performance of any covenant contained in the General Resolution, or in aid of execution of any power granted therein or for an accounting against the Authority as if it were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee deems most effectual to enforce its rights or perform its duties under the General Resolution. No Owner has any right to institute suit to enforce any provision of the General Resolution or the execution of

any trust thereunder or for any remedy thereunder, unless the Trustee has been requested by at least 25% of the Owners, and such Owners shall have offered the Trustee adequate security against expenses and liabilities to be incurred therein, and the Trustee has failed to commence such suit in the manner provided in the General Resolution.

(General Resolution, Art. X)

Defeasance

Outstanding Obligations or any portion thereof shall, prior to the maturity or redemption date thereof, be deemed to have been paid pursuant to the General Resolution and shall cease to be entitled to any lien, benefit or security under the General Resolution if the following conditions are met: (i) in the case of Obligations to be redeemed, the Authority shall have given to the Trustee irrevocable instructions to mail the notice of redemption therefor, (ii) there shall have been irrevocably deposited with the Trustee in trust either moneys in an amount which shall be sufficient, or Defeasance Securities, the principal of and the interest on which, when due, will provide moneys which, together with any moneys also deposited with the Trustee at the same time, shall be sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, to pay when due, the principal or Redemption Price, if applicable, and interest due and to become due on such Obligations on and prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event such Obligations are not maturing or subject to redemption within the next succeeding 60 days, the Authority shall have given the Trustee irrevocable instructions to mail, as soon as practicable, a notice to the Owners of such Obligations that the above deposit has been made with the Trustee and that such Obligations are deemed to be paid and stating such maturity or redemption date upon which moneys are to be available to pay the principal or Redemption Price, if applicable, of such Obligations.

(General Resolution, Sec. 1101)

Unclaimed Moneys

Any moneys held by a Fiduciary in trust for the payment and discharge of the principal or Redemption Price of or interest on any of the Obligations which remain unclaimed for two years after the date when such principal, Redemption Price or interest, respectively, have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for two years after the date of deposit of such moneys if deposited with the Fiduciary after the date when such principal, Redemption Price or interest, respectively, became due and payable, shall, at the written request of the Authority, be repaid by the Fiduciary to the Authority, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Owners of Obligations shall look only to the Authority for the payment of such principal, Redemption Price or interest, respectively. Any moneys held by a Fiduciary in trust for the payment and discharge of any Obligations which remain unclaimed after such moneys were to be applied to the payment of such Obligations in accordance with the General Resolution may be applied in accordance with the provisions of the Abandoned Property Law of the State, being Chapter 1 of the Consolidated Laws of the State or any successor provision thereto, and upon such application, the Fiduciary shall thereupon be released and discharged with respect thereto and the Owners of Obligations shall look only to the Authority or the Comptroller of the State for the payment of such Obligations. Before being required to make any such payment to the Authority or to apply such moneys in accordance with the Abandoned Property Law of the State, the Fiduciary shall, at the expense of the Authority, cause to be mailed to the Owners entitled to receive such moneys a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the mailing, the balance of such moneys then

unclaimed will be returned to the Authority or applied in accordance with the Abandoned Property Law of the State, as the case may be.

(General Resolution, Sec. 1101)

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SUMMARY OF INSURANCE POLICIES

The Power Authority of the State of New York's (the "Authority") and the New York State Canal Corporation's ("NYCC") insurance policies and coverage limits are outlined in the table below:

Insurance Coverage		
Policy	Entity	Policy Limit
Government Crime	The Authority	\$2,500,000
Property	The Authority	\$500,000,000
Aviation	The Authority	\$200,000,000 + \$9,000,000 (Hull)
UAS Liability	The Authority	\$10,000,000
Cyber Resilience	The Authority & NYCC	\$65,000,000
Excess Liability	The Authority	\$100,000,000
Automobile Liability	The Authority	\$250,000
Nuclear Energy Liability	The Authority	\$500,000,000
Automobile Liability	NYCC	\$2,000,000
General and Excess Liability	NYCC	\$100,000,000
Ocean Marine - Hull & Machinery Insurance; Protection & Indemnity	NYCC	Stated Value + \$1,000,000
Marine Pollution	NYCC	\$1,000,000
Marine Pollution	The Authority	\$5,000,000
Ocean Marine Insurance - Hull & Machinery; Protection & Indemnity	The Authority	Stated Value + \$1,000,000
Excess Workers' Compensation	NYCC	\$10,000,000
Excess Workers' Compensation	The Authority	\$35,000,000
Stop Loss	The Authority	Actual Expenses
Directors & Officers Insurance	The Authority	\$50,000,000
Property Insurance	NYCC	\$30,000,000
Property Deductible Reimbursement	The Authority	\$10,000,000*
Nuclear, Biological, Chemical & Radiological Terrorism	The Authority	\$500,000,000*
Cybersecurity Deductible Reimbursement	The Authority	\$5,000,000*
General Liability Deductible Reimbursement	The Authority	\$4,800,000*

* Policy issued by the NYPA Captive Insurance Company.

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**BACKGROUNDS OF THE BOARD OF TRUSTEES AND
CERTAIN SENIOR MANAGEMENT STAFF****Trustees****John R. Koelmel, Chairman**

John R. Koelmel has served as Chairman of the Power Authority of the State of New York (the “Authority”) since June 2012, when he was nominated as a Trustee by Governor Cuomo. Mr. Koelmel currently is an advisor for as well as investor and Board member in several businesses based in Western New York. He previously served as President of HARBORCENTER Development, LLC, and as President and Chief Executive Officer of First Niagara Financial Group, Inc. including its principal subsidiary, First Niagara Bank N.A. Mr. Koelmel began his professional career with KPMG LLP in 1974 and was managing partner of KPMG’s Buffalo office and Upstate New York Business Unit. Mr. Koelmel earned a B.A. degree in economics and accounting from The College of the Holy Cross in 1974. He has assumed numerous and varied leadership roles in the Buffalo and Western New York community, currently serving as Board Chair of the Buffalo Center for Arts and Technology and as a member of the Western New York Regional Economic Development Council.

Michael J. Cusick, Trustee

Michael J. Cusick serves as President and CEO of the Staten Island Economic Development Corporation (“SIEDC”), a non-profit organization where he brings a lifetime of experience leading economic policy and community leadership to enhance Staten Island’s economy. Prior to joining the SIEDC, Mr. Cusick represented Staten Island as a Member of the New York State Assembly for the past twenty years and has been credited with passing 120 pieces of legislation during his tenure. While in office, Mr. Cusick served as Chair of the Energy Committee and passed legislation that created strong cybersecurity protection for New York’s energy grid, increased the adoption of electric-drive vehicles and supported efforts to bring the offshore-wind industry to New York.

Mr. Cusick serves as a member of the Empire State Development New York City Regional Economic Development Council and continues his public services as a member of the board for numerous organizations, including the Tunnel to Towers Foundation and the College of Staten Island Foundation. A graduate of Monsignor Farrell High School and Villanova University, Mr. Cusick worked for the U.S. Senate and the New York City Council before joining the Assembly.

Bethaida Gonzalez, Trustee

Bethaida “Bea” Gonzalez, born in Cayey Puerto Rico, and a longtime resident of Syracuse, has more than 40 years of experience in higher education, as well as a distinguished record of public and community service. In 2014 she was appointed Special Assistant to the chancellor at Syracuse University and then Vice President for Community Engagement in 2017, until her retirement in 2020. Gonzalez has been elected to public office three times. In 1991, she was the first Latina to be elected to the board of education in the city of Syracuse, and in 2001 she was the first Latina elected as president of the Common Council for the city of Syracuse. In 2017, she was the recipient of the University Professional Continuing Education Association Julius M. Nolte Award for Extraordinary Leadership, given to an individual in recognition of unusual and extraordinary contributions to the cause of continuing education on the regional, national and/or international level. In 2020, the Allyn Foundation, in partnership with Syracuse University, the COVID-19 Relief Fund, the Gifford Foundation, Reisman Foundation and the United Way, developed

the Bea Gonzalez Summer Scholars program serving over 800 youth. Ms. Gonzalez earned a Master of Arts from the Syracuse University Maxwell School of Citizenship and Public Affairs. She received a Bachelor's of Arts degree from the State University of New York at Binghamton.

Cecily LaVigne Morris, Trustee

Cecily LaVigne Morris retired as a New York State Family Court Judge and Acting Supreme Court Justice in December 2021. Judge Morris began working in the New York State Unified Court System in 1989, beginning as a law clerk and court attorney for the Hon. David S. Nelson. After Judge Nelson retired, she continued in the UCS, and was elected Family Court Judge, serving from January 1, 2012, to December 31, 2021. As an Acting Supreme Court Justice, Judge Morris, in part, presided over the Integrated Domestic Violence Court Part and the Youth Part of New York State Supreme Court. Judge Morris is the current Chair of the New York State Economic Development Power Allocation Board and member of the New York State Bar Association and the St. Lawrence County Bar Association. Judge Morris has lived most of her life in St. Lawrence County, primarily in Massena, and earned her undergraduate B.A. degree in history at LeMoyne College in Syracuse in 1980, and her J.D. degree at Washington and Lee University in Lexington, Virginia in 1983.

Dennis G. Trainor, Trustee

Dennis G. Trainor was unanimously elected Vice President of CWA District One in June 2015. His election to the CWA's top regional position capped a career dedicated to advancing the rights of working people. As regional Vice President, he leads 140,000 workers in telecommunications, public sector, media and broadcast, health care, airlines and manufacturing across New York, New Jersey and New England. In April and May of 2016, Mr. Trainor led the successful 49-day strike of 40,000 Verizon workers up and down the East Coast, the largest strike in the country for the last five years. He also played a critical role in resolving the 17-week long IUE-CWA strike against Momentive Performance Materials in Waterford, NY in the winter of 2016-2017, including negotiating a back-to-work agreement that returned all the strikers to their jobs. Prior to his election as Vice President, Mr. Trainor had served for ten years as Assistant to the Vice President of District One. He served as the Verizon Regional Bargaining Chair for the 2008 and 2011 bargaining and also chaired the AT&T East bargaining for the last five contracts. Mr. Trainor was appointed the Downstate New York and Connecticut Area Director for CWA during bargaining with Verizon in 2003. Mr. Trainor started his union career during the seven-month long strike against New York Telephone in 1971 when he was elected shop steward in CWA Local 1101.

Lewis M. Warren, Jr., Trustee

Lewis M. Warren, Jr. is a Vice Chair of Commercial Banking of J.P. Morgan. He is responsible for managing banking relationships with state and municipal agencies and authorities nationally, and with developing strategic alliances and product innovation. He has over 35 years of experience in commercial and investment banking and global transaction services. Previously, Mr. Warren was National Head of Emerging Middle Market for Commercial Banking, and was the Global Client Executive for Financial Institutions, Healthcare and Federal Government at the firm. Before joining J.P. Morgan in 2012, Mr. Warren was President, Northeast Commercial Banking, Deputy Head of Global Investment Banking and on the Management Operating Committee at Bank of America. Earlier in his career, he was Chief Operating Officer of Mergers and Acquisitions and Global Head of Business Development for Global Transaction Services at Citigroup. Mr. Warren is a Board Trustee of the Authority, having been nominated by Governor Hochul in May, 2023 and confirmed by the New York State Senate in June, 2023. Mr. Warren served as Vice Chairman of the Nassau County Industrial Development Agency from 2018 to 2022, working with other professionals whose mission is to promote the economic welfare and prosperity of the County. He currently serves on the Board of PENCIL and is Vice Chairman of this New York City non-profit that

partners public schools with businesses. Recently, he joined the Board of the Feinstein Institutes for Medical Research, Northwell Health, New York. He has held board leadership positions with the Long Island Children’s Museum (“LICM”), the Robert Toigo Foundation, Old Dominion University and the Green Vale School on Long Island. Mr. Warren has twice received the President’s Volunteer Service Award, and the “Black Achiever in Industry Award” from the YMCA of Greater New York. He has been named a “top 100 under 50 Diverse Executives and Emerging Leaders” by *Diversity MBA* magazine, and honored as one of “75 Most Powerful Blacks on Wall Street” by *Black Enterprise* magazine. In 2019, Mr. Warren received the City of New York Mayoral Service Award for his volunteer leadership on behalf of NYC public school children. Mr. Warren and his wife were the 2020 recipients of the national “Great Friend to Kids Award”, presented by the LICM. He graduated *cum laude* with a Bachelor of Science in Business Administration from Old Dominion University and earned MBA and JD degrees from the University of Virginia.

Laurie Wheelock, Trustee

Laurie Wheelock, Esq. is the Executive Director and General Counsel of the Public Utility Law Project. She began her career working for the New York Public Interest Research Group, where she fought for the rights of consumers across the state. Wheelock went on to work for three different members of the New York State Assembly in both Albany and New York City, focusing on a wide variety of issue areas, including legislation to promote affordable housing, public access to insurance, nonprofit reform, and environmental protection. Wheelock received her bachelor’s degree in political science from Binghamton University and received her Juris Doctorate and Masters in Environmental Law and Policy from Vermont Law School.

Senior Management Staff

The senior management staff of the Authority includes the following:

Justin E. Driscoll, President and Chief Executive Officer

Justin E. Driscoll serves as the Authority’s President and Chief Executive Officer. He is responsible for developing and implementing the statewide utility’s strategic vision and mission, and for overseeing its operations, legal and financial matters, and relationships with external stakeholders. He is also responsible for the operation of the New York State Canal System. Justin supervises the Authority’s 16 generation facilities and 1,400 circuit-miles of high-voltage transmission, as well as its role as an energy efficiency project developer and as energy supplier for its governmental customers, including New York City, the Metropolitan Transportation Authority, the Port Authority of New York and New Jersey, the New York City Housing Authority, state agencies and local governments.

Through Justin’s leadership, the Authority is helping the Hochul administration meet its nation-leading clean energy goals. To fully access New York’s growing renewable energy resources, he is guiding the most dramatic transformation of the state’s grid in more than four decades by implementing large-scale transmission projects, such as Smart Path, Smart Path Connect, Clean Path New York and Central East Energy Connect. Under Justin’s leadership, the Authority also launched ConnectALL, the largest-ever investment in New York’s digital infrastructure. Announced in Governor Hochul’s 2022 State of the State address, the Authority leveraged existing transmission infrastructure to bring broadband internet to communities either unserved entirely or underserved by commercial providers.

Before joining the Authority, Justin was engaged in private practice and represented clients that included Fortune 500 companies, governmental entities and energy companies in complex commercial litigation and regulatory matters. Justin serves on several boards, including the Alliance to Save Energy, the New York State Energy Research and Development Authority, the GridWise Alliance, EPRI, New York

City's Urban Green Council and the World Resources Institute's Global Energy Advisory. Justin is a graduate of American University in Washington D.C. with a bachelor's degree from the School of Public Affairs. He received his law degree from the New York Law School and attended the New York University School of Law L.L.M. Program in trade regulation.

Joseph Kessler, Executive Vice President and Chief Operating Officer

Joseph "Joe" Kessler, Executive Vice President and Chief Operating Officer, oversees the Authority's power generation and transmission assets, commercial operations and the New York State Canal Corporation's (the "Canal Corporation") operations. Before assuming this role in 2016, Joe was Senior Vice President of Power Generation, responsible for oversight of the Authority's generating facilities across the State. After starting his career at an electrical construction firm, Joe worked at an architectural engineering company before joining the Authority in 2001 as an engineer in the Electrical Maintenance department.

In 2019, under Joe's leadership, the Authority became the first electric utility in North America to receive international certification for power generation and transmission asset management standards set forth by the International Organization for Standardization. The certification, known as ISO55001, was renewed in 2022. Joe was the first chairman of the Authority's Asset Management Board and is a member of the Authority's Enterprise Risk Management Committee. He also serves as executive sponsor of the Authority's Multicultural Employee Resource Group.

He earned a bachelor's degree in electrical engineering, a master's degree in electrical engineering (energy systems), and an MBA from SUNY at Buffalo. He is a licensed Professional Engineer in the States of New York and Maryland. Joe is a board member of the Hydropower Research Institute and Co-Chairman of the National Hydropower Association's CEO Council and sits on the boards of the Northland Workforce Development Center and Invest Buffalo Niagara. He has served on the Electric Power Research Institute's Generation Sector and Research Advisory Councils and is on the Low-Carbon Resources Initiative Board Working Group and the Large Public Power Council's Operational Executive Working Group. He is a member of SUNY at Buffalo's School of Engineering and Applied Sciences Dean's Advisory Council, and the Conference Board's Chief Operating Officers Council. Joe is a senior member of the Institute of Electrical and Electronics Engineers, and a member of the Erie-Niagara Chapter of the New York State Society of Professional Engineers, the International Association of Electrical Inspectors and the Illuminating Engineering Society of North America.

Lori Alesio, Executive Vice President and General Counsel

Lori Alesio is the Authority's Executive Vice President and General Counsel. She serves as the chief legal officer of the Authority and advises and represents the Authority in all legal matters. Lori joined the Authority in 2011 as the Assistant General Counsel for Labor and Employment. Since coming here, she has assumed increasing responsibility in the critically important areas of labor and employment, working closely with Utility Operations and our colleagues in the labor unions across the Authority. Lori recently been promoted to Deputy General Counsel and assumed the day-to-day supervision of the Authority's Assistant General Counsels. She played a critical role for the organization during the pandemic as counsel for COVID Incident Command System ("ICS"), working closely with management and units across the Authority to develop innovative policies and processes to keep the workplace safe and productive. Lori, a graduate of St. John's Law School, has a long and distinguished record of public service. She came to the Authority from the Westchester County Attorney's office where she served for approximately 17 years. Most of that time, she was Deputy County Attorney in its Litigation Bureau where she handled many high-profile and sensitive and high-profile cases with great success.

Adam Barsky, Executive Vice President and Chief Financial Officer

Adam Barsky is the Authority's Executive Vice President and Chief Financial Officer; he joined the Authority in 2019. Adam is an accomplished senior executive who brings more than 30 years of dedicated experience in management, finance and public policy. Adam previously served as Chief of Staff and Special Counselor at the Port Authority of NY and NJ. Prior to that he served as Executive Vice President and Chief Risk Officer of IDB bank NY from 2006 to 2017. In that senior role, Adam oversaw all aspects of risk management for the bank including credit, market and operational risk, and strategic and reputation risk.

Adam has held numerous positions in state and local government including Deputy Secretary to the Governor of New York for Public Authorities, Financing and Housing and New York City Issues. Before that, he served as Budget Director and Chief Financial Officer of the City of New York and as Director of the Mayor's Office of Operations. Adam also worked as Chairman of the New York City Employees Retirement System, Chairman of the New York City Transitional Finance Authority and Chairman of the NYC Municipal Water Finance Authority, Acting Commissioner of the New York City Department of Finance, and Chief Financial Officer and Chief Operating Officer of the New York City Economic Development Corporation.

Adam graduated cum laude from the State University of New York, Albany with a bachelor's degree in business administration. Adam is also a certified public accountant and has also completed Columbia Business School's Risk Management Executive Education Program. Adam served as Chairman and a Director of the Nassau County Interim Finance Authority by Governor Andrew Cuomo from March 2016 to 2023 and has served as a member of the board of directors of the New York State Job Development Authority from 2006 to 2022.

Daniella Piper, Executive Vice President and Chief Innovation Officer

Daniella Piper is the Executive Vice President and Chief Innovation Officer at the Authority where she coordinates the Authority's strategic business goals, technology innovation, digitization, and research and development efforts so new technologies can be developed, tested, socialized and implemented in support of the state's clean energy targets. Daniella also oversees the Authority's Enterprise Innovation team, which serves as the incubator for new programs and ideas, allowing the Authority to develop and deploy game-changing technologies and digital solutions that advance its efforts to create a thriving, resilient New York State powered by clean energy.

Daniella has more than 16 years of experience in the energy industry with a long history of success at the Authority, having started as a Developmental Intern in 2007. Most recently, Daniella served as Western New York Regional Manager and Chief Transformation Officer. She has been integral to some of the Authority's most trailblazing efforts, such as the construction of the Marcy South Series Compensation Project, the Authority's 10-Point Diversity, Equity and Inclusion Plan, and the Authority's first Digital Transformation Office. Through her varied roles, including a previous post as Chief of Staff, Daniella developed a broad understanding of the Authority and has excelled at working collaboratively with employees and external parties.

Daniella is a licensed professional engineer in New York State and holds a Bachelor of Engineering degree in electrical engineering from City College of New York, a Master of Science degree in electrical engineering from New York University, and a Master of Engineering Construction Management degree from Manhattan College. She is also a graduate of Harvard Business School's Advanced Management Program. Daniella serves on the advisory board of the University of Idaho's

Energy Executive Course and is a member of EPRI's Research Advisory Committee. She also mentors women in the National Hydro Association's Women in Hydropower Mentorship program.

Robert Piascik, Senior Vice President and Chief Information Officer and Technology Officer

Robert Piascik leads the development and execution of the organization's technology services and capabilities, while enabling the Authority and the Canal Corporation's digital ecosystem serving both customers and employees. He held senior leadership roles in both the public and private sectors at the Connecticut Municipal Electric Energy Cooperative ("CMEEC"), Pfizer Pharmaceuticals, and Prudential Financials. Robert began his career in the electric power industry at CMEEC by developing software and providing technology services and served as Senior Director at Pfizer Pharmaceuticals to implement and manage global shared technology services. Prior to joining the Authority, he served as Vice President of Planning & Strategy of Annuities IT at Prudential where he led the IT transformation to evolve the enterprise digital and diversified product development and analytics capabilities. Robert has a master's degree in management with a concentration in finance from Rensselaer Polytechnic Institute, and a bachelor's degree in technology with a concentration in engineering from the University of New Haven.

Yves Edouard Noel, Senior Vice President and Chief Strategy Officer

Yves Edouard Noel is the Chief Strategy Officer and Senior Vice President of Strategy and Corporate Development at the Authority. He has a critical role in shaping the Authority's long-term strategic direction and positions the Authority to sustainably meet the needs of a rapidly evolving industry. He is a member of the Executive Management Committee.

Yves' professional journey began in the world of systems consulting, where he honed his problem solving and analytical skills developing large financial systems. He then transitioned to strategic management consulting working with top tier consulting firms and specialized energy boutiques. He tackled complex challenges faced by various industries, including utilities, energy and infrastructure, collaborating with multinational corporations and government entities across different continents. His international exposure has provided him with a global perspective and a nuanced understanding of diverse markets enabling him to navigate complex business landscapes effectively. With a strong academic foundation and deep understanding of the practice of strategic management, Yves brings a unique blend of expertise from his diverse professional background. He holds an MBA from the Wharton School, University of Pennsylvania, and a Bachelor of Business Administration from Loyola College in Maryland.

Karina Saslow, Senior Vice President – Human Resources

Karina Saslow is Senior Vice President of Human Resources at the Authority. Karina is responsible for developing and leading programs that support the Authority and the Canal Corporation workforce of more than 2,000 employees and are part of what makes the Authority a leading workplace. This includes strategy and oversight of diversity, equity and inclusion; Total Rewards programs including benefits and compensation; recruiting; organizational and talent development; HR data and systems; and employee relations.

Along with her team, Karina shapes effective people and talent strategies to support long-term organizational objectives through strong partnership and coordination with the Authority's senior leadership, employee resource groups and the New York State Office of Employee Relations.

Above all, she ensures the Authority's culture stays true to its five values and is an environment where everyone contributes, and everyone belongs. Karina joined the Authority in 2009 and has informed transformational initiatives. She developed the Total Rewards strategy, advised on Vision2020 and

subsequent plans, supported ISO55001 certification, led HR functions integrating the Canal Corporation during acquisition and played a critical role in HR representation for COVID incident command system (ICS), including responsibility for contact tracing.

Karina has worked in a variety of complex, technical industries in her nearly 30 years of enhancing employee experience, including at Willis Towers Watson, IBM, Mankind Corporation and Linde (formerly Praxair). In these roles, she served as an advisor to executive management on strengthening culture and engagement through people-focused programs and strategies. Karina holds a Bachelor of Science degree from Albright College, and a Master of Business Administration from the Lubin School of Business at Pace University.

Alexis Harley, Senior Vice President & Chief Risk and Resiliency Officer

Alexis Harley is Senior Vice President and Chief Risk and Resiliency Officer at the Authority.

Alexis sets the Authority's strategic risk management and resilience vision and implements, oversees and monitors all risk management and resilience activities. She is responsible for determining the Authority's risk tolerance and instituting associated strategic plans, including oversight of the Sustainability team, which is responsible for the development and implementation of the Authority's Environmental, Social and Governance ("ESG") strategy.

Alexis has spent her entire career learning and growing in the evolving energy industry and joined the Authority from National Grid. She has extensive experience designing, implementing and leading enterprise risk management programs to protect people, assets and communities, while preserving value and adapting to new opportunities.

In her previous roles, Alexis guided the development of risk-based business continuity, process safety, compliance management and other programs supporting informed risk mitigation. She worked with executives and board members to set risk appetite, monitor emerging risks and consider the impact of multi-risk scenarios. Alexis also has experience in transformation, internal consulting, business planning and performance management, process excellence, strategic planning, and engineering project management.

Alexis is a graduate of Columbia University, where she earned a bachelor's degree in chemical engineering and is a member of its Alumni Representatives Committee. Alexis has served as a mentor through Employee Resource Groups and leadership programs. She also served two full terms on her local school district's Board of Education.

Charles Imohiosen, Senior Vice President Communications & External Affairs

Charles Imohiosen is the Authority's Senior Vice President, Communications and External Affairs. He oversees the Authority's public engagement efforts as well as its Environmental Justice and Corporate Communications groups.

Charles has held several public and private sector senior management positions. In New York, he served as the chief operating officer of Empire State Development, New York State's economic development agency. In that role, he oversaw operations for all business units and managed an \$80 million operating budget, and a \$1.4 billion capital budget.

In Washington DC, Charles was a member for the White House Hurricane Sandy Rebuilding Task Force, leading the Task Force's infrastructure post-disaster planning efforts to allocate \$60 billion in congressional appropriations to resilient rebuilding of electric, water, transportation, and bridge and tunnel

infrastructure. Charles also held the position of Counselor to the Deputy Administrator and Special Policy Counsel to the federal Environmental Protection Agency, coordinating cross-functional teams and leading multi-agency initiatives focusing on strategic grants, permitting, and other regulatory activities relating to infrastructure, energy and communities.

In the private sector, provided strategic advisory support to several energy-related projects, including the Justice Climate Fund and Groundswell's successful applications to the U.S. Environmental Protection Agency Greenhouse Gas Reduction Fund Clean Communities Investment Accelerator and Solar for All grant competition, respectively.

An attorney admitted to the New York State bar, Charles has practiced as an attorney for two global law firms and served as a law clerk for a federal judge in the Southern District of New York. He was also senior director for digital engineering and global head of the customer engagement program for a large privately held enterprise software company.

Charles graduated from Harvard Law School and Williams College, majoring in physics and philosophy.

Carley Hume, Chief of Staff and Vice President of Policy Communications

Carley Hume serves as the Chief of Staff to the Authority's President and CEO, Justin E. Driscoll, and Vice President of Policy. Carley is a dedicated public servant, bringing to the Authority a passion for sustainability, energy innovation, and a clean energy future for New York State. In her first role at the Authority, in 2017, she assisted in the development of the Authority's 10-year strategic plan, VISION2030, which involved working with senior leaders to develop and implement their work into a holistic, strategic direction for the Authority.

Prior to the Authority, Carley worked for the New York City Economic Development Corporation, where she led the project management on four multi-million-dollar contracts, including one to install building-scale nanogrids at Superstorm Sandy-impacted small businesses. At the Yale Center for Business and the Environment, Carley led the expansion of the Center's Entrepreneurship Team from a monetary prize to a comprehensive resource center for Yale entrepreneurs. She was an Associate at Pure Energy Partners, performing critical research and analysis of existing Cleanweb (internet-based solutions to reduce resource use) startups, and served as special assistant to the Chief Innovation Officer at the U.S. Environmental Protection Agency. She holds a bachelor's degree from American University and a master of environmental management from the School of Forestry & Environmental Studies at Yale University.

Sundeep Thakur, Vice President and Controller

Sundeep Thakur joined the Authority as its Controller in May 2019 and is responsible for managing the Authority's Controllorship functions including internal and external reporting, billing and receivables, payables, payroll and fixed assets accounting. Prior to joining the Authority, Sundeep worked at The Hertz Corporation, where he held progressive leadership roles overseeing financial activities of International operations in North America, Latin America and Asia Pacific Region. Before that, he worked at PepsiCo Inc., where he supported various business transformation and strategic initiatives. Sundeep began his career with PriceWaterhouseCoopers and has over 20 years of experience across various areas of finance including internal controls, technical accounting, mergers and acquisitions and financial planning, analysis and budgeting. Sundeep is a Certified Public Accountant and a Chartered Accountant, and holds a Master's of Business Administration degree, with specialization in international business and information systems from Fordham University.

Karen Delince, Vice President and Corporate Secretary

Karen Delince was appointed Vice President and Corporate Secretary at the Authority in March 2009. She manages the Authority's governance apparatus, which includes not only the Authority but its subsidiaries, advisory boards, and committees. She ensures compliance with sound governance principles, initiates the Authority's rulemaking/ratemaking activities, conducts public hearings on certain Authority contracts, and maintains corporate records. Prior to working at the Authority, she spent 15 years at the American Civil Liberties Union as Director of Policy. Karen holds a Juris Doctorate from St. John's University School of Law and a Bachelor of Arts from St. John's University.

Christina Reynolds, Vice President and Treasurer

Christina Reynolds joined the Authority as its Vice President and Treasurer in January 2020. Christina is a seasoned treasury executive who brings more than 25 years of experience in management roles at international corporate and financial institutions specifically tied to the energy sector.

Christina previously served as Managing Director and Treasurer at Noble Americas Corp. in Connecticut and Noble Europe Ltd. in London. In this role, she led the group's financing activities for their global energy businesses. Prior to that, Christina served as Director of International Commodity Finance at Fortis Bank from 2001 to 2010 at roles in both London and New York. In that role, Christina oversaw all aspects of commodity finance as a senior banker and lending desk head for a diversified portfolio of financing structures and relationships covering an array of lending, capital markets, cash management and other bank and treasury products.

Christina graduated from Fordham University and holds a Master's degree in finance. She previously received a bachelor of science degree in Business Management from Pace University and completed an Executive Education program in Leadership at IMD in Switzerland.

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