

2026 – 2029

Approved 2026 Budget and 2026–2029 Financial Plan

In compliance with 2 NYCRR Chapter 5, Part 203



NEW
YORK
STATE

NY Power
Authority

Canal
Corporation

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MISSION OF THE POWER AUTHORITY OF THE STATE OF NEW YORK

The mission of the Power Authority of the State of New York (“NYPA”) is to “Lead the transition to a carbon-free, economically vibrant New York through customer partnerships, innovative energy solutions, and the responsible supply of affordable, clean, and reliable electricity”. The Mission Statement adheres to maintaining the Authority’s core operating businesses while also moving to support the energy goals of New York State, codified primarily in the Clean Energy Standard (“CES”), the New York State Climate Leadership and Community Protection Act (“CLCPA”), the Accelerated Renewable Energy Growth and Community Benefit Act, and the Power Authority Act, Title 1 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended from time to time (the “Power Authority Act” or the “Act”), including amendments made in 2019 and in the 2023-24 Enacted State Budget. The Authority’s financial performance goal is to maintain a strong financial position in order to have the resources necessary to achieve its mission.

The mission of the New York State Canal Corporation (“the Canal Corporation”) is to “Operate and maintain a premier waterway and trail system that honors the historic legacy of the Erie Canal and offers unique recreational and tourism opportunities, while also promoting sustainable economic development throughout the canal corridor.”

The mission of the New York Renewable Energy Development Holding Company (“NYREDHC”), a subsidiary of NYPA, is to “Lead the clean energy transition by developing, financing, and owning renewable energy assets in the State of New York in a smart and collaborative way, alone and with partners, to support New York’s decarbonization goals and ensure all New Yorkers benefit from the green economy.”

BACKGROUND OF THE POWER AUTHORITY OF THE STATE OF NEW YORK

NYPA is a corporate municipal instrumentality and political subdivision of the State of New York (the “State”) created in 1931 by the Act. NYPA has three subsidiaries: The Canal Corporation, NYPA Captive Insurance Company (“Captive”) and NYREDHC. NYPA, the Canal Corporation, Captive, and NYREDHC are collectively referred to as the “Authority”

throughout this document. When noted, the financial information for NYREDHC is stated separately. NYPA 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 kilovolt (“kV”) and 345 kV transmission facilities. NYPA 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-Franklin D. Roosevelt), a large pumped-storage hydroelectric facility (Blenheim-Gilboa), the Eugene W. Zeltmann (“Zeltmann”) combined cycle electric generating plant in Queens, New York and the Richard M. Flynn combined cycle plant in Holtsville, in Long Island, New York.

NYPA’s customers include municipal and rural electric cooperatives located throughout the State, local governments, investor-owned utilities, high load factor industrial customers, commercial/industrial and not-for-profit businesses, public corporations within the metropolitan area of the City of New York (the “City”), including the City, and entities in certain neighboring states.

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

In May 2023, NYPA established Captive as a wholly owned subsidiary of NYPA to reduce NYPA and its subsidiaries’ need for commercial insurance and to enable NYPA to manage its overall risk more effectively and economically.

The 2023-2024 Enacted State Budget amended the Power Authority Act to, among other things, expand NYPA’s authority to plan, design, develop, finance, construct, own, operate, maintain, and improve renewable energy generation projects (“Expanded Authority”). NYPA was authorized to exercise and perform its Expanded Authority through one or more wholly owned subsidiaries. On November 21, 2024, NYPA incorporated NYREDHC under the State Business Corporation Law as a wholly owned subsidiary.

On June 23, 2025, New York Gov. Kathy Hochul requested that NYPA consider developing an advanced nuclear facility with at least one gigawatt (“GW”) of nameplate capacity. NYPA, in coordination with the state Department of Public Service (“DPS”), will seek to develop one or more nuclear energy facilities with a combined capacity of no less than one GW of electricity, either alone or in partnership with private entities, to support the State’s electric grid and the

people and businesses that rely on it. NYPA has no material contractual obligations relating to this announcement. Any material resources allocated or obligations undertaken relating to this announcement will be subject to the approval of NYPA’s Board of Trustees (the “Authority’s Trustees”) as deemed feasible and advisable.

VISION2030 RENEWED: 10-YEAR STRATEGIC OUTLOOK

VISION2030, NYPA and the Canal Corporation’s 10-year strategic outlook and plan, was issued in 2020 to drive the vision of a thriving, resilient New York State powered by clean energy.

VISION2030 Renewed is NYPA and the Canal Corporation’s refreshed roadmap, outlining our multipronged commitment to driving New York State’s clean energy future and was approved by the Board of Trustees in March 2025. Since the inception of the original VISION2030 strategic plan, the energy landscape has evolved, demanding that we remain agile, proactive and visionary in our approach. Built on NYPA’s strengths while leveraging our Expanded Authority, VISION2030 Renewed reinforces NYPA’s commitment to supporting grid reliability and the clean energy goals of our customers and the state while driving economic investment and the revitalization of the Canal Corporation.

The plan has four strategic priorities and five foundational pillars. The priorities are: Drive the clean energy transformation through emissions-free generation; Be the leading transmission developer, owner, and operator for New York State; Enable customers to achieve their decarbonization goals; and Revitalize the New York State Canal System. The pillars are: Uplift our people and live our values; Support the diverse needs of the communities in which we operate and impact; Build an innovation ecosystem that accelerates customer and grid decarbonization; Integrate sustainability into how we operate to drive value; and Strengthen our resilience for long-term viability.

Leaning into our successes over the last five years, our updated plan streamlines our strategic priorities for impact, while strengthening our foundational pillars to meet future demands.

EXPANDED AUTHORITY AND CLEAN ENERGY PROMISE

The Power Authority Act was amended in 2023 to, among other things, expand NYPA’s authority to plan, design, develop, finance, construct, own, operate, maintain and improve renewable energy generation projects (“Expanded Authority”) in support of the State’s renewable energy goals established in the CLCPA. NYPA was authorized to exercise and perform its Expanded Authority through one or more wholly owned subsidiaries.

NYPA expects that the activities of NYREDHC, as a separate legal entity from NYPA, will be conducted in a manner such that NYPA is not expected to be responsible for financial or other obligations. NYPA and NYREDHC executed a Shared Services Agreement on May 1, 2025 that provides for certain services to be distributed by NYPA to NYREDHC, with NYREDHC reimbursing NYPA for costs of supplying services.

Expanded Authority allows NYPA to pursue renewable generation projects like solar, wind, geothermal, battery storage and/or any technology identified in the Clean Energy Standard either on its own or with third parties, and created a mechanism to develop clean energy workforce training programs and a bill credit program for low- and medium-income residential electricity ratepayers that will be funded by some of the proceeds earned from new renewable generation projects and other sources, including charitable donations from renewable project developers.

On January 28, 2025, NYPA's Board of Trustees and NYREDHC's Board of Directors approved the inaugural NYPA Renewables Strategic Plan, which included 37 projects across the state totaling to more than 3 GW of potential capacity. The Authority has continued to conduct due diligence on projects and on July 29, 2025 posted a draft update to the Strategic Plan for public comment through September 12, 2025. The Authority is reviewing comments and feedback and plans to have the updated Strategic Plan approved in December 2025 by the Authority and NYREDHC trustees.

Further, in September, Authority and NYREDHC trustees approved an intercompany loan facility for up to \$100 million to fund ongoing investments by NYREDHC in renewable energy projects. NYREDHC trustees in September also approved Somers Solar, LLC to execute an Engineering, Procurement and Construction contract, along with other related project contracts, for up to \$50 million, a portion of which will be funded by the intercompany loan facility.

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 "NYPSC"), the Renewable Energy Access and Community Help or "REACH" Program, that will enable low- and 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 SNGPPs 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 sunset, 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 NY Power Program ("RNYPP"), which was 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.

This Four-Year Plan budgets for an additional \$10 million annually dedicated to nuclear related workforce training.

BUILDSMART 2025

BuildSmart 2025 is New York State's program for aggressively pursuing energy efficiency savings in New York State-owned and occupied buildings of 11 trillion British thermal units ("TBtu") by December 31, 2025, while advancing economic growth, environmental protection, and energy security in New York State. BuildSmart 2025 expands and continues the requirements of BuildSmart NY to assist State entities in meeting statutory requirements established by the CLCPA and Executive Order 22, that "all state agencies shall assess and implement strategies to reduce their greenhouse gas emissions". The Authority manages the BuildSmart 2025 program and monitors New York State agency performance. Since the baseline of state fiscal year 2014 - 2015, the program has achieved 10.32 TBtu towards the 11 TBtu goal. This progress puts New York State on track to meet the 11 TBtu goal by the end of the year 2025.

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 BuildSmart 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.

SUSTAINABILITY

VISION2030 Renewed lays out new objectives for sustainability, directing the organization to integrate sustainability into how we operate. The Authority is producing a new 2026-2030 Sustainability Plan which will be driven by the four commitments laid out in VISION2030 Renewed to make sustainability the way the organization does business. Sustainability is also guided by Executive Order 22, which directs state agencies to adopt a sustainability and decarbonization program.



DOCUMENTATION AND EXHIBITS SUPPORTING THE BUDGET AND FINANCIAL PLAN

a. THE AUTHORITY'S RELATIONSHIP WITH NEW YORK STATE GOVERNMENT

NYPA is a corporate municipal instrumentality and political subdivision of the State created in 1931 by the Power Authority Act to help provide a continuous and adequate supply of dependable electric power and energy to the people of the State.

NYPA's operations are overseen by NYPA's Board of Trustees. The Trustees are appointed by the governor of the State with the advice and consent of the State Senate. The Authority is a fiscally independent public corporation whose generation and transmission operations are generally not supported by state tax revenues. When eligible, the Authority is the recipient of federal and state monies that are used to offset non-utility activities in alignment with public policy. This funding includes Federal Emergency Management Agency ("FEMA")

disaster and hazard mitigation grants, federal infrastructure grants, and other state funding in support of New York State's clean energy vision and the Canal Corporation. NYPA generally finances construction of new projects through internally generated funds and the sale of bonds and notes to investors, and it pays related debt service costs with revenues from the generation and transmission of electricity. Income of the Authority and properties acquired by it for its projects are exempt from taxation.

b. BUDGET PROCESS

NYPA operates in a capital-intensive industry where operating revenues and expenses are significant and highly variable due to the volatility of electricity prices and fuel costs. NYPA's operations are subject to electric market price and fuel cost variability, and volatility in water flows which directly affect the Authority's hydroelectric generation levels. This Approved

2026 Budget and 2026 - 2029 Financial Plan (“Four-Year Financial Plan”) relies on data and projections developed throughout the following time frame:

July – October 2025: Developed preliminary forecasts of electric prices (energy and capacity); ancillary services revenue and expenses; fuel expenses; customer power and energy use; customer rates; corporate operating expenses; Annual Transmission Revenue Requirement (“ATRR”); generation levels at NYPA power projects reflecting scheduled outages; and purchased power and energy requirements

October 31, 2025: Proposed 2026 Budget and 2026 – 2029 Financial Plan was posted for public inspection at five convenient locations and on NYPA’s website

November 2025 – December 2025: Incorporated new financial data to produce the final 2026 Budget and 2026 - 2029 Financial Plan

Seek authorization of NYPA’s Board of Trustees to approve the final 2026 Budget and 2026 – 2029 Financial Plan at its meeting scheduled for December 9, 2025

Submit the Approved 2026 Budget and 2026 – 2029 Financial Plan to the State Comptroller’s Office; and make the approved document available for public inspection at five convenient locations and on NYPA’s website upon Board of Trustees approval.



FOUR-YEAR PROJECTED INCOME STATEMENT¹

(IN \$ MILLIONS)

	2026	2027	2028	2029
Operating Revenues				
Generation Revenue	\$1,003.4	\$1,037.1	\$1,067.5	\$1,051.4
Ancillary Service Revenue	55.2	46.9	47.0	47.1
Transmission and Other	364.0	319.9	342.6	395.0
Separately Financed Projects Net Income	130.9	169.7	162.1	141.8
Non-Utility Revenue	56.1	59.2	63.1	63.3
Pass-Through Revenue	2,052.7	2,055.5	2,138.2	2,449.4
Operating Revenues Total	3,662.3	3,688.3	3,820.5	4,148.0
Operating Expenses				
Purchased Power	(15.4)	(14.9)	(14.3)	(16.0)
Fuel Consumed	(48.4)	(45.0)	(44.9)	(43.8)
Transportation and Delivery	(97.6)	(99.1)	(100.7)	(102.5)
Pass-Through Expense	(2,052.7)	(2,055.5)	(2,138.2)	(2,449.4)
Operations and Maintenance	(782.4)	(793.2)	(810.4)	(837.3)
Other Expenses	(132.8)	(118.3)	(115.1)	(104.8)
Allocation to Capital	47.9	47.9	49.2	43.2
Operating Expenses Total	(3,081.4)	(3,078.1)	(3,174.4)	(3,510.6)
Non-Operating Income and Expenses				
Depreciation and Amortization	(372.3)	(398.2)	(411.4)	(406.7)
Investment and Other Income	80.5	86.9	96.8	105.9
Canals Grant Proceeds	15.0	36.0	45.0	0.0
Mark to Market Adjustments	0.0	0.0	0.0	0.0
Interest and Other Expenses	(28.2)	(31.0)	(55.4)	(52.4)
Non-Operating Income and Expenses Total	(305.0)	(306.3)	(325.0)	(353.2)
NYPA/CANALS/SFP/CAPTIVE NET INCOME	\$275.9	\$303.9	\$321.1	\$284.2
NYPA/CANALS/SFP/CAPTIVE EBIDA²	\$661.4	\$697.1	\$742.9	\$743.3
NYREDHC NET INCOME	(\$2.7)	(\$12.8)	\$17.9	\$19.7

¹ Values in certain categories have been rounded.

² NYPA/CANALS/SFP/CAPTIVE EBIDA excludes Canals Grant Proceeds.

GROSS MARGIN ANALYSIS¹

(IN \$ MILLIONS)

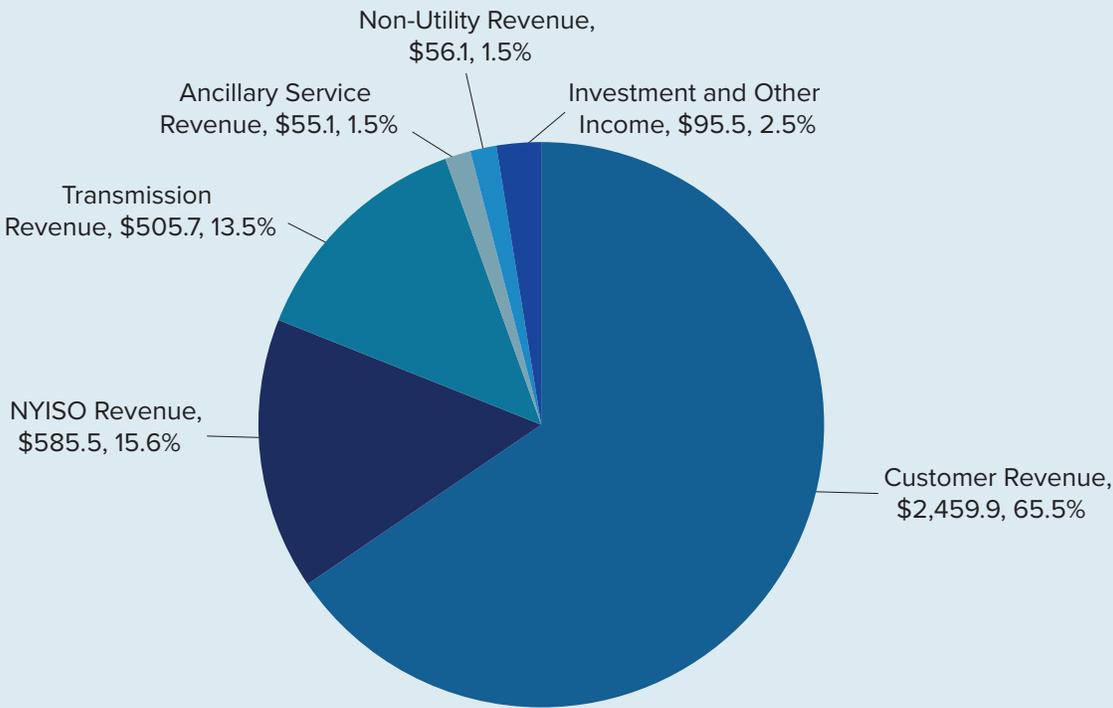
	2026	2027	2028	2029
Generation Margin	\$916.2	\$944.5	\$973.1	\$952.9
Transmission Margin	475.5	469.7	485.8	519.7
Other Margin	137.0	146.5	160.2	169.6
TOTAL MARGIN	1,528.7	1,560.7	1,619.1	1,642.2
Other Operating Expenses	(867.3)	(863.6)	(876.2)	(898.9)
NYPA/CANALS/SFP/CAPTIVE EBIDA²	\$661.4	\$697.1	\$742.9	\$743.3
NYREDHC EBIDA	(\$0.8)	(\$0.4)	\$52.5	\$77.9

¹ Values in certain categories have been rounded.

² NYPA/CANALS/SFP/CAPTIVE EBIDA excludes Canals Grant Proceeds.

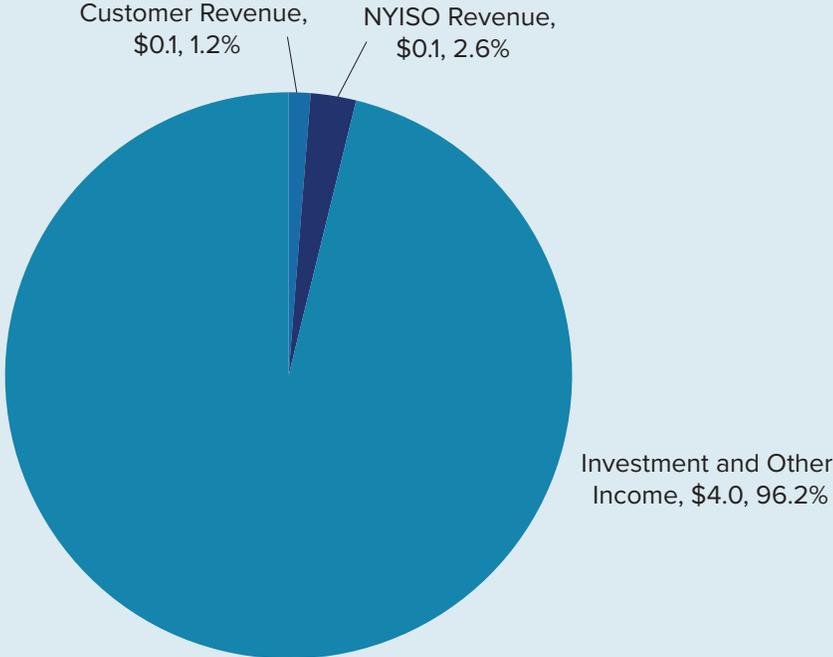


2026 BUDGET – NYPA/CANALS/SFP/CAPTIVE SOURCES^{1,2}
(IN \$ MILLIONS)



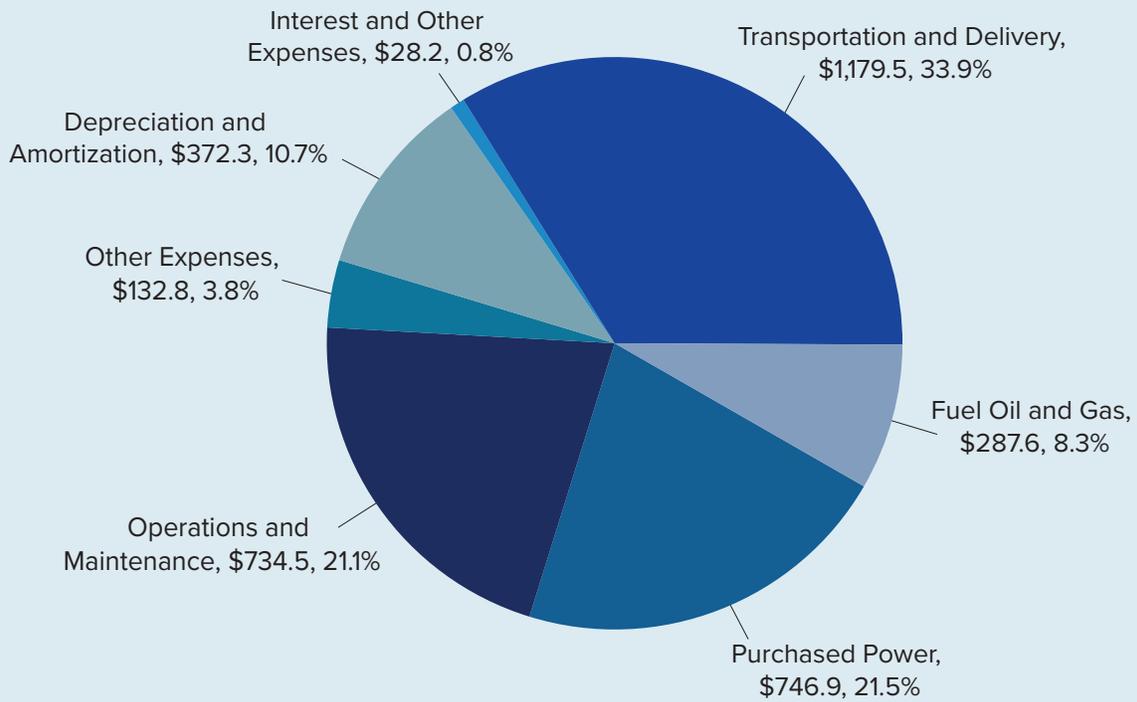
¹ Values in certain categories have been rounded.
² Transmission Revenue includes SFP Net Income and Investment and Other Income includes Captive Net Income.

2026 BUDGET – NYREDHC SOURCES¹
(IN \$ MILLIONS)



¹ Values in certain categories have been rounded.

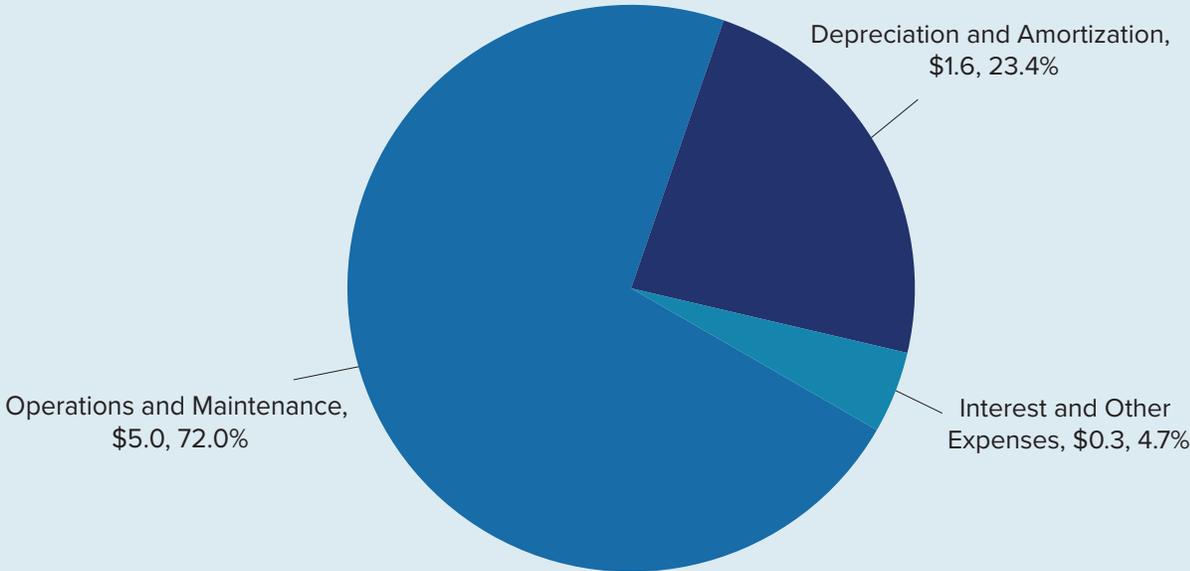
2026 BUDGET – NYPA/CANALS/SFP/CAPTIVE USES^{1,2}
 (IN \$ MILLIONS)



¹ Reflects the Authority's base Operations and Maintenance expenses plus Administrative and General expenses less the Allocation to Capital. Above Operations and Maintenance excludes SFP Operations and Maintenance expenses.

² Values represented are inclusive of certain pass-through expense items.

2026 BUDGET – NYREDHC USES¹
(IN \$ MILLIONS)



¹ Values in certain categories have been rounded.

STATEMENT OF CASH FLOWS^{1,2}

(IN \$ MILLIONS)

	2024	2025	2026	2027	2028	2029
Revenue Receipts						
Sale of Power, Use of Transmission Lines, Transportation and Delivery Charges and Other Receipts	\$3,227.0	\$4,005.5	\$3,839.7	\$3,882.3	\$4,020.4	\$4,350.9
Earnings on Investments and Time Deposits	99.0	82.4	88.2	115.3	134.3	98.5
Total Revenues	3,326.0	4,087.9	3,927.9	3,997.6	4,154.7	4,449.4
Expenses						
Operations and Maintenance, including Transmission of Electricity by Others, Purchased Power and Fuel Purchases	(2,815.0)	(3,394.1)	(3,196.0)	(3,212.9)	(3,327.0)	(3,668.3)
Debt Service						
Interest on Bonds and Notes	(307.0)	(56.1)	(109.1)	(109.0)	(151.4)	(148.6)
Bonds and Notes Retired	(132.0)	(20.4)	(33.8)	(57.1)	(56.5)	(41.2)
Total Debt Service	(439.0)	(76.5)	(142.9)	(166.1)	(208.0)	(189.7)
Total Requirements	(3,254.0)	(3,470.6)	(3,338.9)	(3,379.0)	(3,535.0)	(3,858.1)
Net Operations	72.0	617.3	589.0	618.6	619.7	591.4
Capital Receipts						
Sale of Bonds, Promissory Notes and Commercial Paper	518.0	0.0	0.0	850.0	0.0	250.0
Temporary Asset Transfer Return from New York State	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total Capital Receipts	518.0	0.0	0.0	850.0	0.0	250.0
Capital Additions and Refunds						
Additions to Electric Plant in Service and Construction Work in Progress and Other Costs	(660.0)	(956.7)	(849.5)	(823.0)	(779.3)	(900.0)
Construction Funds - Net Transfer	0.0	0.0	0.0	0.0	0.0	0.0
Total Capital Additions and Refunds	(660.0)	(956.7)	(849.5)	(823.0)	(779.3)	(900.0)
Net Capital	(142.0)	(956.7)	(849.5)	27.0	(779.3)	(650.0)
NYPA/CANALS/SFP/CAPTIVE Net Increase/(Decrease)	(\$70.0)	(\$339.4)	(\$260.5)	\$645.6	(\$159.6)	(\$58.6)
NYREDHC Net Increase/(Decrease)³	\$0	(\$57.5)	(\$35.6)	(\$36.8)	\$0.2	\$303.5

¹ This Statement of Cash Flows follows the format prescribed by §2801 of New York State Public Authorities Law and does not follow Governmental Accounting Standards Board (“GASB”) financial statement standards.

² Values in certain categories have been rounded.

³ Reflects NYREDHC standalone net sources and uses, including non-recourse debt financings, NYS Sustainability Funds, federal Investment Tax Credits, and NYPA equity contributions and intercompany loans.

c. BUDGET ASSUMPTIONS

NYISO REVENUE AND EXPENSES

Based on scheduled customer power needs and available electricity generated by the Authority's operating assets, the Authority buys and sells capacity and energy through markets operated by the New York Independent System Operator ("NYISO"). Various NYISO-purchased power charges, in combination with generation-related fuel expenses, comprise a large portion of the Authority's operating expenses. A significant amount of the Authority's revenues result from sales of its generation into the NYISO market. The energy and capacity revenues are projected based on published forward prices, exchanges, broker information and/or internal pricing models.

CUSTOMER AND PROJECT REVENUE

The customers served by the Authority and the rates paid by such customers vary by the customer or customer service class and the source of the power and energy used to serve the customer. The Authority's power supply customers are served under contracts and tariffs approved by the Board of Trustees. The Authority serves approximately 1,150 customers.

CLEAN ENERGY STANDARD

In 2016, the NYPSC issued an order establishing a Clean Energy Standard to implement the clean energy goals of the State Energy Plan. Pursuant to the CES, load serving entities identified in the order are required to purchase Zero Emission Credits ("ZEC(s)") from the New York State Energy Research Development Authority ("NYSERDA") to support the preservation of existing at-risk zero-emissions nuclear generation. The Authority is not subject to NYPSC jurisdiction for purposes of the CES but has assumed an obligation to purchase ZECs consistent with the terms of the CES and intends to seek recovery of such costs from the Authority's customers.

In January 2017, the Authority's trustees authorized (a) participation in the NYPSC's ZEC program and (b) execution of an agreement with NYSEDA to purchase ZECs associated with the Authority's applicable share of energy sales. The Authority and NYSEDA 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 ("NYCA"). The Authority and NYSEDA 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 August 2025, the Authority estimates it will incur costs associated with participation in the ZEC program of \$223 million in aggregate over the 2026 - 2029 period, of which approximately \$1 million is not expected to be recovered

under customer contracts that predate the adoption of the CES. As of August 31, 2025, the Authority has paid \$509 million in ZEC purchase costs, and as of December 31, 2024, it paid \$473 million.

The Authority is collaborating with its customers to achieve the renewable energy goals in the ways that best meet their needs. The Authority is exploring opportunities to further support its customers in achieving these renewable energy goals under its Expanded Authority.

ST. LAWRENCE-FDR AND NIAGARA POWER PROJECT CUSTOMERS

Energy from the St. Lawrence-FDR and Niagara projects ("the Projects") is sold under contract to municipal electric systems, rural electric cooperatives, commercial and industrial and other business customers, nonprofit corporations, including educational institutions, investor-owned utilities, and out-of-state customers. The remaining available energy is sold into the NYISO market.

The Authority's Preference Power rates for firm power, firm peaking power, and associated energy sold by the Authority, as applicable to the 51 municipal electric systems and rural electric cooperatives in New York State, two public transportation agencies, three investor-owned utilities for the benefit of rural and domestic customers, seven out-of-state public customers, seven host community customers and the Tuscarora Nation are sold at cost in accordance with the statutory standard that the Projects power and energy are priced at the "lowest rates reasonably possible."

The last Preference Power rate modification with three successive rate increases occurring in 2012, 2013 and 2014 was approved by the Board of Trustees in November 2011. The 2014 rates have remained unchanged.

Based on analyses by the Authority that its Preference Power rates were not recovering the Authority's costs, the Authority proposed a rate adjustment in December 2024 but withdrew it in February in response to affordability concerns raised by Governor Kathy Hochul and several customer groups. Shortly after withdrawing the proposal, the Power Authority's customer groups requested that NYPA resume discussions on the rate adjustment. Subsequently, NYPA worked closely with its customers to develop a plan that would both help to mitigate the annual impact of needed rate adjustments on customer bills and create rate certainty over an extended time frame. Those efforts resulted in a proposal that would implement more moderate increases over a longer timeline while still enabling NYPA to maintain its commitments to preserve the long-term ability of the Projects to produce clean hydropower for several decades to come.

On September 23, 2025, the Board of Trustees approved the filing of a Notice of Proposed Rule Making with the New York State Department of State for publication in the New York State Register in accordance with the requirements of

the State Administrative Procedure Act (“SAPA”), to increase the rates for Preference Power supplied from the Projects. After the 60-day comment period required under the SAPA, Authority staff will address any filed comments, including any comments raised at the public forums, and return to the Board of Trustees at their December 2025 meeting to seek final adoption of Preference Power rates, effective April 1, 2026. This Four-Year Financial Plan models the 2014 Board of Trustees approved rate change currently in effect.

Niagara and St. Lawrence-FDR’s Expansion and Replacement Power (“Western New York”), ReCharge NY, and Preservation Power customers are allocated more than 35% of the average generation capacity of the Projects. The rates charged for firm power sold to these customers have been established based on contractual terms and are subject to an annual adjustment factor reflecting movements in economic indices.

Sale of Expansion and Replacement Power historically had been handled on a sale-for-resale basis through National Grid and New York State Electric and Gas. The direct sale of low-cost hydropower to these customers commenced July 1, 2013. As a result, the Authority is now the load-serving entity for these transactions.

Legislation enacted in March 2011, effective July 2012, created a new economic development power program, the RNYPP, to replace two economic development programs, Power for Jobs and Energy Cost Savings Benefit. RNYPP is a permanent power program administered by the Authority and the Economic Development Power Allocation Board.

RNYPP utilizes up to 455 MW of hydropower from the Authority’s Niagara and St. Lawrence-FDR projects combined with up to 455 MW of market power procured by the Authority from other sources. The 910 MW of power is available for allocations to eligible new and existing businesses and nonprofit corporations under contracts of up to seven years.

Recent amendments to the Power Authority Act repealed a residential discount program created when the RNYPP

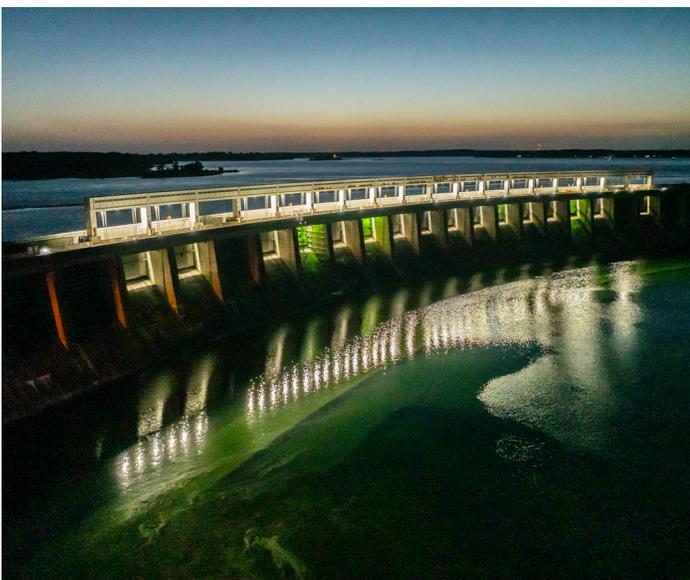
was enacted, and authorizes the Authority, as deemed feasible and advisable by the Board of Trustees, to provide annual funding in an amount of up to \$5 million to continue for a Residential Consumer Discount Program (“RCDP”) to support those customers that had previously received an agricultural consumer electricity cost discount program for this hydropower. Revenues earned from the sale of unused RNYPP power into the wholesale market may be used to offset the cost of these residential discounts or revenues from the sale of hydroelectric power will be utilized to fund monthly payments to benefit electricity consumers that once benefited from authority hydroelectric power that was withdrawn pursuant to RNYPP legislation.

In March 2019, the Board of Trustees approved a seven-year extension of an agreement for the sale of firm hydroelectric power and energy from the St. Lawrence-FDR Power Project to the Aluminum Company of America (“Alcoa”) at its West Plant facilities. The existing contract with Alcoa was executed effective April 1, 2019, through March 31, 2026, replacing prior long-term contracts. The contract extension provides for monthly base energy rate adjustments, based off the price of aluminum on the London Metal Exchange and the Midwest U.S. Premium price published by Platts, and contains provisions for employment (450 jobs) and capital commitments (\$14 million).

The contract provides for: an allocation of 240 MW, with an additional 5 MW being allocated to Arconic, a business independent of Alcoa, sold under a separate Preservation Power sale agreement; a monthly CES charge relating to ZECs and RECs, which are attributable to Alcoa’s load. The contract specifies a sharing mechanism for the CES charges between Alcoa, New York State and the Authority, whereby Alcoa’s share increases as the aluminum price increases. The Authority has entered into aluminum contracts to mitigate potential downside risk in that market and intends to continue to do so based upon prevailing economic conditions as appropriate.

In July 2025, the Board of Trustees approved an extension of Alcoa’s 240 MW Preservation Power allocation. In addition, the Authority was authorized to schedule and hold a public hearing on the contract. On September 23, 2025, the Board of Trustees approved the final contract and the contract was transmitted to the governor and approved in October 2025.

The term of the new agreement will be ten years from April 1, 2026 to March 31, 2036. Additionally, there will be two potential five-year extensions if Alcoa meets certain capital investment thresholds. The new agreement contains provisions for employment (increasing from 450 to 500 jobs) and capital investments (\$30 million minimum). If Alcoa invests \$70 million from 2025 to 2035, it will have the option to extend the contract for an additional five years. If Alcoa invests at least \$130 million from 2025 to 2040, then it will be provided with the option of extending the contract for the second five-year term. If the contract is extended for the full 20-year term, the total capital investment commitment would be \$145 million.



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

The Authority estimates that the total costs associated with the relicensing of the St. Lawrence-FDR Power Project in 2003 for a period of 50 years will be approximately \$234 million, of which approximately \$223 million has already been disbursed. NYPA, as a result of a settlement term with the local communities, has entered into an additional settlement addressing unanticipated issues at the time of the original agreement. This review occurs every 10 years. The first review added approximately \$45.1 million to settlement, of which \$42.2 million has been disbursed, the second review was approved by the Board of Trustees in March 2025 and added an additional \$20 million. The Authority collects the amounts necessary to fund such relicensing costs through its rates from the sale of St. Lawrence-FDR power.

The Authority relicensed the Niagara Power Project in 2007 for a period of 50 years. The total approximate cost will be \$495 million, of which approximately \$480 million was disbursed as of June 30, 2025. The Authority collects the amounts necessary to fund such relicensing costs through its rates from the sale of Niagara power.

Total costs could increase due to prescriptive measures required through reserved authority of the Federal Energy Regulatory Commission (“FERC”) and other federal agencies in the license for the St. Lawrence-FDR Project and Niagara Power Project.

Chapter 545 of the Laws of 2014 enacted the Northern New York Power Proceeds Act (“NNYPPA”). NNYPPA authorizes the Authority, as deemed feasible and advisable by the Board of Trustees, to deposit net earnings from the sale of unallocated St. Lawrence County Economic Development Power (“SLCEDP”) by the Authority in the wholesale energy market into an account known as the Northern New York Economic Development Fund (“NNYED Fund”) administered by the Authority. The funds are awarded to eligible applicants that propose projects that satisfy applicable criteria. NNYPPA established a five-member allocation board appointed by the governor to review applications seeking NNYED Fund benefits and to make recommendations to the Authority concerning benefits awards.

SLCEDP consists of up to 20 MW of hydropower from the St. Lawrence-FDR Power Project which the Authority has made available for sale to the Town of Massena Electric Department (“MED”) for MED to sub-allocate for economic development purposes in accordance with a contract between the parties entered in 2012 (the “Authority-MED Contract”).

NNYPPA defines “net earnings” as the aggregate excess of revenues received by the Authority from the sale of energy associated with SLCEDP sold by the Authority in the wholesale energy market over what revenues would have been received had such energy been sold to MED on a firm basis under the terms of the Authority-MED Contract. For the first five years after enactment, the amount of SLCEDP the Authority could use to generate net earnings could not exceed the lesser of 20 MW or the amount of SLCEDP that has not been allocated by the Authority pursuant to the Authority-MED contract. Thereafter, the amount of SLCEDP that the Authority could use for such purpose may not exceed the lesser of 10 MW or the amount of SLCEDP that has not been allocated. The Authority’s estimates of payments from the Authority to the NNYED Fund have been incorporated into this Approved 2026 Budget and 2026 - 2029 Financial Plan.

The Western New York Power Proceeds Act (“WNYPPA”), which was enacted on March 30, 2012, authorizes the Authority to deposit net earnings from the sale of unallocated or allocated but unused Expansion Power and Replacement Power from the Authority’s Niagara project into the Western New York Economic Development Fund (“WNYED Fund”) as deemed feasible and advisable by the Board of Trustees.

WNYPPA defines “net earnings” as any excess revenue earned from such power sold into the wholesale market over the revenue that would have been received had the power been sold at the Expansion Power and Replacement Power rates. Proceeds from the WNYED Fund may be used to support eligible projects undertaken within a 30-mile radius of the Niagara project that qualify under the applicable criteria. WNYPPA established a five-member allocation board appointed by the governor. The Authority’s estimates of payments from the Authority to the WNYED Fund have been incorporated into this Approved 2026 Budget and 2026 - 2029 Financial Plan.

LEWISTON PUMP-GENERATING PLANT LIFE EXTENSION AND MODERNIZATION PROGRAM

NYPA’s trustees approved a \$460 million Life Extension and Modernization Program at the Niagara Power Project’s Lewiston Pump-Generating Plant, (“Lewiston LEM Program”). As of June 30, 2025, the Authority has spent approximately \$401 million, which is the same amount spent as of December 31, 2024. The work includes a major overhaul of the plant’s 12 pump turbine generator units. The Lewiston LEM Program will increase pump and turbine efficiency, operating efficiency, and the peaking capacity of the Niagara project. The Lewiston LEM Program is financed with internal funds and proceeds from debt obligations issued by the Authority. The unit work began in late 2012 and is ongoing, with the final unit expected to be completed in 2028.

NEXT GENERATION NIAGARA

The Next Generation Niagara program replaces, overhauls, and/or upgrades 13 generating units and their associated auxiliary power generating equipment. Improvements will include replacing aging equipment with the latest machinery that reflects advanced digital technologies for optimizing the hydroelectric project's performance. The program is comprised of four main projects: Controls Upgrade, Mechanical/Electrical Overhauls, Penstock Platform, and 630-ton Gantry Crane Replacement. As of June 30, 2025, the Authority has spent approximately \$209 million.

SOUTHEASTERN NEW YORK (“SENY”) CUSTOMERS

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

In 2017 and 2018, the Authority executed new supplemental long-term electricity supply agreements (“Supplemental LTAs”) with its 11 New York City (“NYC”) Governmental Customers, the largest of these customers include: Metropolitan Transportation Authority, the City of New York, the Port Authority of New York and New Jersey (“Port Authority”), the New York City Housing Authority, and the New York State Office of General Services. Under these 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 terminate at any time upon at least 12 months' notice during the first five years of the agreement (December 31, 2022). Thereafter, both the Authority and the NYC Governmental Customers may terminate the agreement upon at least six months' notice. The contract is expected to continue, but with no guarantee.

Under the Supplemental LTAs, fixed costs were contractually set for each customer. Variable costs, including fuel, purchased power and NYISO-related costs, are to be set on a pro-forma cost of service basis and reconciled to actuals as a pass-through to each customer via an energy charge adjustment.

In 2008, the Authority entered into a long-term power purchase agreement with Astoria Energy II LLC for the purchase of the output of AEII, a 550-MW plant, which commenced commercial operations on July 1, 2011, in Astoria, Queens, for the sole benefit of the NYC Governmental Customers. Although the AEII power purchase contract goes through 2031 and is beyond the electricity supply agreement under the Supplemental LTAs, the Authority's contract with the NYC Governmental Customers served by the output of AEII is coterminous with the power purchase agreement with Astoria Energy II LLC.

The energy generated by the Zeltmann and AEII plants is sold into the NYISO market and the proceeds are used to offset the cost associated with the production of energy and capacity from the plants. All net costs and benefits to the Authority for both facilities are directly passed through to the NYC Governmental Customers. The economic value of the Zeltmann and AEII plants helps to support the NYC Governmental Customers.

Additionally, the Authority retains rights to grandfathered and historic fixed priced transmission congestion contracts on behalf of SENY customers, which helps to hedge against the fluctuating energy purchase power costs. All net costs of the Authority under the power purchase agreement with Astoria Energy are billed monthly to the NYC Governmental Customers. An equal amount of revenue is recognized during the period related to reimbursements from the NYC Governmental Customers.

The Authority's other SENY customers are Westchester County and numerous municipalities, school districts, and other public agencies in Westchester County (collectively, the “Westchester Governmental Customers”). NYPA has entered into an evergreen supplemental electricity supply agreement with all 103 Westchester Governmental Customers. Under the agreement, customers can partially terminate service from the Authority with at least two months' notice prior to the start of the NYISO capability periods. Full termination is allowed with at least one year's notice, effective no sooner than January 1 following the one-year notice.

Westchester Governmental Customers are partially served by the Authority's four small hydroelectric plants. The remainder of the Westchester Governmental Customers' load requirements are supplied through energy and capacity purchased from the NYISO markets. Sales of energy generated by the small hydroelectric resources into the NYISO markets, as well as grandfathered and historic fixed price transmission congestion contracts, all help to offset the cost of the energy purchased, with an energy charge adjustment mechanism in place for cost reconciliation.

BLenheim-GILBOA POWER PROJECT

The Blenheim-Gilboa project operates as a merchant plant, with energy and ancillary services offered in the NYISO markets generally at the market-clearing price. Capacity is offered to other users via bilateral arrangements and/or sold into the NYISO capacity auctions. This forecast assumes Blenheim-Gilboa will operate as a merchant plant for the upcoming years.

SMALL NATURAL GAS POWER PLANTS

To meet capacity deficiencies and ongoing load requirements in the New York City metropolitan area in the year 2001 and later, NYPA placed into operation the SNGPPs, consisting of seven facilities located at six sites in New York City and one site in the service region of the Long Island Power

Authority. Three of the sites have a single natural-gas-fueled combustion turbine electric generation units, while four have two units.

In 2001, the Authority entered a stipulation settling claims regarding the SNGPP located at Vernon Boulevard. The Agreement provides for a “Put,” meaning that if the operations of the Vernon Boulevard turbines do not cease by October 31, 2004, and certain other terms are satisfied, Silvercup Studios can exercise a “Put” on the Authority, obligating it to purchase the Terra Cotta parcel at Fair Market Value. To date, no formal “Put” notice has been received. In addition, the Authority has agreed under a settlement agreement to cease operations at Vernon Boulevard, under certain conditions including if the mayor of New York City directs such cessation. No such cessation has occurred.

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

In May 2025, the Authority published a plan outlining the phase out of SNGPP production of electricity by December 31, 2030. The plan analyzes air emission and power system reliability challenges as the Authority plans to deactivate as many of its SNGPPs as possible by the end of 2030. The plan concluded that the Authority must conduct additional studies with the NYISO and expert consultants to determine the impact to air quality in disadvantaged communities across New York State, including in New York City and Long Island, when the SNGPPs are shuttered. Specifically, findings from more in-depth air quality analysis will equip the Authority with input from the impacted communities, the NYISO and the Department of Public Service, to identify which power plants it can deactivate by 2030 or sooner without making air quality worse.

As part of the Authority’s strategy to meet the legislative mandate, the Authority is in negotiations with battery developers for five SNGPP sites.

For this Approved 2026 Budget and 2026 - 2029 Four-Year Financial Plan, it is assumed that the output of the SNGPPs will be sold into the NYISO markets.

FLYNN POWER PLANT

The Flynn plant 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 the Long Island Power Authority, the Authority is compensated for all capacity provided through December 31, 2026. Discussions to extend the agreement are upcoming.

TRANSMISSION PROJECTS

NYPA owns approximately 1,550 circuit-miles of high-voltage transmission lines and associated substations operating at voltages of 115 kV, 230 kV, 345 kV, and 765 kV. NYPA’s Transmission Backbone System consists of a large subset of these transmission facilities, with major circuits such as (but not limited to):

765 KV

- MSU1 (Marcy-Massena)
- MSC-7040 (Massena-Chateaugay)

345 KV

- UE1-7 (Marcy-Edic)
- UNS-18 (Marcy-New Scotland)
- VU19 (Volney-Marcy)
- NR-2 (Niagara-Rochester)
- NS-1 (Niagara-Somerset)
- Y-49 (Long Island Sound Cable)
- Q-35L&M (Queens-Manhattan)

230 KV

- MA-1/MA-2 (Moses-Adirondack)
- MMS-1/MMS-2 (Moses-Massena)
- MW-1/MW-2 (Moses-Willis)

COST RECOVERY FOR NYPA’S BACKBONE TRANSMISSION SYSTEM

Since the formation of the NYISO in November 1999, cost recovery for the Authority’s provision of transmission service over its facilities has been governed by the NYISO tariff, which included an ATRR for NYPA of \$165.5 million. The Authority receives cost recovery through the NYISO tariff mechanism known as the NYPA Transmission Adjustment Charge (“NTAC”). NTAC recovers NYPA’s Backbone Transmission System costs on a statewide basis, after accounting for the Authority’s revenues received from pre-existing customer transmission service contracts, Transmission Service Charge (“TSC”) assessed on customers in the Authority’s upstate load zone, and other sources.

In July 2012, the Authority filed for its first ATRR increase with FERC. The Authority’s filing resulted in an uncontested settlement approved by FERC for a new, \$175.5 million ATRR applicable to the Authority, effective August 1, 2012. The increased ATRR was necessary to cover increased operating and maintenance expenses of the Authority’s bulk transmission system, and to make necessary capital improvements.

In January 2016, the Authority filed for an ATRR formula rate with FERC. In March 2016, FERC accepted the filing and made it effective April 1, 2016, as requested, subject to hearing and settlement judge procedures. The Authority requested a formula rate to more efficiently recover its increased capital and operating expenditures needed to maintain the reliability of its transmission system.

The Authority filed an unopposed Offer of Settlement on September 30, 2016, that fully resolved the issues raised by interested parties in settlement negotiations concerning the formula rate. Separately, the ATRR under the formula rate of \$190 million initially made effective April 1 was updated on July 1, 2016, to \$198.2 million pursuant to the formula rate annual update process.

Effective July 1, 2025, the ATRR is \$716.3 million, which also includes the revenue requirements for the Marcy South Series Compensation (“MSSC”) and Central East Energy Connect (“CEEC”, formerly known as AC Segment A Transmission) transmission projects. Annual updates commensurate with projected costs are assumed to continue throughout the forecast period.

TRANSMISSION LEM PROGRAM

In 2012, the Authority’s trustees approved a \$726 million Transmission Life Extension and Modernization Program (“Transmission LEM Program”) on the Authority’s transmission system.

The Transmission LEM Program aims to extend the life of transmission assets in the Central, Northern and Western regions of New York and will include work to be done such as upgrades, refurbishments and replacements associated with switchyards and substations, transmission line structures or towers and associated hardware and replacement of the submarine cable on the PV-20 line (completed in 2017). Reinvestment in these assets supports the repair, upgrade and/or expansion of the transmission infrastructure. The Transmission LEM Program will be financed with internal funds and proceeds from debt obligations issued by the Authority.

As of June 30, 2025, the Authority has spent approximately \$583 million: \$524 million in capital and \$59 million in non-recurring operations and maintenance investment.

CENTRAL EAST ENERGY CONNECT

On August 1, 2014, the Public Policy Transmission Planning Process administered by the NYISO invited solicitations to address the 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 (“NAT”) 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 NAT) to increase transfer capability from Central to Eastern New York. The project, known as CEEC, proposed by NYPA and LS Power includes the construction of more than 90 circuit-miles of 345 kV and 115 kV transmission lines, two substations, and several modifications to existing substations along the impacted 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. CEEC was placed in service in December 2023.

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 230-kV transmission lines from Massena to the Town of Croghan in Lewis County. The project replaced obsolete wood pole structures with higher, steel pole structures, and included the installation of new conductor and associated hardware. The lines operate at 230-kV 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 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. As of June 30, 2025 the total assets for Smart Path placed-in-service is \$480 million.

The Authority estimates a total project cost of \$484 million. This Four-Year Financial Plan includes revenues and costs associated with this project.

SMART PATH CONNECT

In October 2020, the NYPSC adopted criteria for identifying urgently needed transmission projects to meet the renewable energy goals of the CLCPA. The Authority identified the multi-pronged Smart Path Connect as work 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 approximately \$440 million in annual congestion savings throughout New York State and it is estimated to create hundreds of jobs in the North Country during construction.

In October 2020, the NYPSC 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 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 \$920 million for its portion of Smart Path Connect. Construction is ongoing with expected completion in 2026. The Authority has placed \$585 million of assets in service as of June 30, 2025. This Four-Year Financial Plan includes revenues and costs associated with the Authority's portion of this project.

LONG ISLAND SOUND CABLE

The Authority completed the Y-49 Transmission Line ("Long Island Sound Cable") Nassau segment reconductoring project, authorized by the Board of Trustees in October 2021.

The Long Island Sound Cable traverses Westchester County, the Long Island Sound, and Nassau County, delivering 600 MW of power from upstate regions to Long Island communities. The circuit was commissioned in 1991 and throughout its nearly 30-year operating history has

seen minimal investment outside of normal operational, maintenance and emergent expenditures. Given the history of cable faults seen within the past few years, reconductoring of the Nassau section was required.

The reconductoring project replaced approximately 10 circuit-miles of the Long Island Sound Cable from Port Washington to East Garden City in Nassau County. In addition to the reconductoring, the project included enhancement of the cable system's ancillary cable components and substation equipment, including upgrades to steel-pipe protection, fiber-optic replacements, new manhole installation, existing manhole refurbishment, and refurbishment of the oil-pump plants at two substation locations on the Nassau segment.

Reconductoring commenced in the fall of 2022 and was completed on schedule, with the feeder successfully returned to service in May 2023.

The Authority completed the project at a total cost of \$72 million, which is recovered through NYPA's ATRR. This Four-Year Financial Plan includes revenues and costs associated with the cable.

PROPEL NY ENERGY

In response to the NYISO's August 2021 Long Island Offshore Wind Export Public Policy Transmission Need competitive project solicitation, the Authority and NY Transco jointly 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 NYPA and NY Transco includes the construction of approximately 90 miles of 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 substations, and the modification of several existing substations.

Propel NY Energy will benefit consumers by expanding access to diverse, cost-effective generation resources, increasing transfer capacity to and from Long Island, and enhancing overall system reliability. It will also improve the system's flexibility and resilience across a wide range of operating conditions.

The One Big Beautiful Bill Act ("OBBBA"), enacted in July 2025, rescinded all unobligated balances of several IRA programs including the Transmission Siting and Economic Development Grants Program under which the Authority had been awarded a \$44 million grant by the U.S. Department of Energy to conduct community benefit projects for communities impacted by the Propel NY transmission line. The Authority does not anticipate receiving these funds and has not commenced the work associated with this grant award.

The NYISO cost estimate for Propel NY is approximately \$3.28 billion including upgrades. The Authority has committed to invest a minimum of \$500 million with an option to increase the investment up to 30%, subject to the Board of Trustees approval.

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

UNIONDALE HUB 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 Uniondale Hub substation in Nassau County. The Uniondale Hub upgrade will allow for the intertie of three new lines proposed by Propel NY to the 345 kV system at an expanded substation featuring a new electrical bus arrangement, voltage control equipment, and protection systems.

The total estimated cost for the Uniondale Hub upgrade is approximately \$341 million, which will be recovered through the Authority's ATRR.

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

HUDSON TRANSMISSION PROJECT

In 2011, the Board of Trustees authorized NYPA to enter into an agreement with Hudson Transmission Partners, LLC ("HTP"). The agreement, known as the Firm Transmission Capacity Purchase Agreement ("FTCPA"), was entered into for the purchase of transmission capacity to meet the long-term requirements of the Authority's NYC Governmental Customers and to improve the transmission infrastructure serving New York City. The agreement addresses this need through the provision of transmission capacity on the HTP transmission line.

The cable extends from Ridgefield, New Jersey (connected at Public Service Electric and Gas ("PSE&G") Company's Bergen substation) on the PJM Interconnection, LLC ("PJM") transmission system, to the Consolidated Edison Company of New York, Inc.'s ("Con Edison") West 49th Street substation. Under the FTCPA, the Authority received entitlement to 75% or 495 MW of the line's 660-MW capacity for 20 years while reimbursing HTP for the cost of interconnection and transmission upgrades in New York and New Jersey associated with the line. These upgrades were completed at a total cost to the Authority of \$335 million.

In addition, the Authority's obligations under the FTCPA include payment of the PJM-approved Regional Transmission Expansion Plan ("RTEP")/Transmission Enhancement Charges ("TECs") allocated to HTP. These allocations started in 2013 and grew to include the highly significant Bergen Linden Corridor ("BLC") project in northern New Jersey.

It is estimated that the revenue derived from the Authority's rights under the FTCPA will not be sufficient to cover the

Authority's costs during the 20-year term of the FTCPA. The Authority estimates losses for HTP to be in the range of approximately \$80 million to \$90 million annually.

In 2015 and 2016, PJM's RTEP cost allocation methodology associated with the BLC project upgrades was challenged at FERC in numerous proceedings by Con Edison, the Authority, HTP and other New York parties.

In March 2017, the Authority and HTP amended the FTCPA to, among other changes, create a mechanism for HTP to relinquish its Firm Transmission Withdrawal Rights ("FTWRs") and increase the Authority's leased portion of the line's capacity from 75% (495 MW) to 87% (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.

Because of the FTWR relinquishment, PJM determined that the Authority had no cost responsibility for any RTEP/TEC costs starting in 2018. In 2020, FERC partially 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 because they were unrelated to whether HTP had retained FTWRs. These reinstated RTEP/TECs were for projects other than the BLC project, primarily for the Northeast Grid Reliability Project. FERC authorized PJM to begin collection for the back periods starting in August 2020.

For the BLC project-related RTEP/TECs assessed prior to 2018, the challenges to FERC's orders from 2015 and 2016 authorizing those PJM allocations were elevated to the District of Columbia Circuit of the U.S. Court of Appeals. In August 2022, the Court of Appeals determined that PJM's cost allocation methodology was flawed, which may result in refunds to the Authority for its BLC-related RTEP payments; however, FERC has not yet acted on the court's remand. The Authority's potential refund related to its overpayments of RTEP is approximately \$52 million as of 2025, inclusive of interest.

The Authority now accrues approximately \$875,000 per month in RTEP/TECs, but this amount is expected to trend downward as these facilities are depreciated. These RTEP/TEC allocations, which began in 2013, are estimated to cost the Authority in excess of \$150 million.

With respect to the reinstated RTEP/TECs upgrade costs, the Authority appealed the 2020 FERC order 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 decision, thus closing the matter. Accordingly, the Authority's ongoing RTEP/TECs 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 FTCPA term. These payment obligations would cease if the Authority does not exercise any rights over the HTP facility after the FTCPA term ends in June 2033.

The Authority initiated a Request for Proposals process, which offers the Authority opportunities to enhance the operational, financial and market dynamics of the HTP cable, including providing clean energy to New York City. NYPA has signed a non-binding Term Sheet and is in exclusive negotiations to execute a Transmission Capacity Resale Agreement for a term of up to seven years.

POWER PURCHASE AGREEMENTS

The Authority does not have any Power Purchase Agreements (“PPAs”) that have a fixed-charge provision or fixed cost. As and when such PPAs are executed, they will be reflected in the Notes to the Authority’s Consolidated Financial Statements.

The Authority executed nine PPAs for solar photovoltaic (“PV”) projects with Ameresco, Inc. on June 28, 2023, and an additional six PPAs for solar PV projects with Ameresco, Inc. on July 7, 2023, requiring the Authority to pay Ameresco, Inc. for electricity received from the sixty renewable facilities to be constructed under those PPAs and recover the payments from the City of New York, acting through its Department of Citywide Administrative Services (“DCAS”) via a power sales contract (the “PSC”). The Authority also executed four PPAs with Ameresco, Inc. for battery energy storage systems (“BESS”) in 2024, requiring the Authority to pay Ameresco, Inc. for electricity received from the renewable facilities and recover the payments from the purchaser via the PSC.

In the case of non-payment from DCAS, there is a cure period of one year, in which the Authority would cover the payments to Ameresco, Inc. If there is no cure, Ameresco, Inc. has no claim to the Authority so long as the Authority or Ameresco, Inc. is pursuing recovery from DCAS under the terms of the PSC. The total value of the PPAs with Ameresco, Inc. is \$320 million over 20 years, the annualized amount being \$16 million.

The first of these nineteen PPAs has entered commercial operation, and two more are expected to enter commercial operation in 2025.

The Authority also entered into a PPA for solar PV and BESS with Siemens Industry Inc. on December 23, 2020, requiring the Authority to pay Siemens Industry Inc. for electricity and services received from the renewable facilities constructed at the Jacob K. Javits Convention Center, and recover the payments from the New York Convention Center Operating Corporation (“NYCCOC”) via a PSC. The annualized amount for the PPA entered on behalf of NYCCOC is \$2.7 million over 25 years. The NYCCOC PPA has entered commercial operation and is producing energy through which the Authority is paying for and recovering for that energy under that PPA and PSC respectively.

Additionally, the Authority executed a PPA for solar PV and BESS with Solar Star Big Apple BTM, LLC, a wholly-owned subsidiary of SunPower Corporation, on May 7, 2021, requiring the Authority to pay Solar Star Big Apple BTM, LLC for

the electricity received from the renewable facilities to be constructed at the John F. Kennedy International Airport and recover payments from the Port Authority of New York and New Jersey (“PANYNJ”) via a PSC. The annualized amount for the PPA entered on behalf of PANYNJ is \$1 million over 25 years. The total value of these PPAs is approximately \$100 million over 25 years.

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 reaches 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.

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

Under the PSC, NYEFDC will sell and deliver to the Authority and the Authority will purchase, specified quantities of market-based energy, less a specified discount. The initial energy delivery period (during which the Authority is committed to purchase approximately 876,000 MWh of electricity each year) will begin in January 2026 and will end in October 2033. This agreement does not qualify as a lease, and the agreement does not have minimum payment terms. The Authority will only pay for energy when delivered and the PSC represents an offset to the Authority’s existing market-based power purchases.

PURCHASED POWER EXPENSES

Energy, capacity, and ancillary service purchases made on behalf of customers (except for those made through previously approved power purchase agreements) are assumed to be transacted at the market-clearing price in the wholesale market. For purposes of developing this Four-Year Financial Plan, projected energy rates are based on published forward price curves, while capacity rates are based on internally developed capacity curves using external pricing sources, such as broker quotes and trading platforms.

FUEL EXPENSES

Fossil-fuel purchases in this Four-Year Financial Plan are based on expected net generation levels determined by an economic dispatch model for the Authority's plants and on available forward fuel price curves. Fuel expenses also include the costs associated with emission credit requirements under the Regional Greenhouse Gas Initiative ("RGGI"). RGGI requires the Authority to buy emissions credits for its fossil-fuel plants, and the Authority also purchases such credits for the contracted AEI plant. The projections for RGGI costs are based on projected emission rates and forecasted consumption of natural gas and oil, with such costs recovered either through specific customer contract pass-through provisions or from the wholesale market.

TRANSPORTATION AND DELIVERY EXPENSES

Transportation and Delivery (i.e., the transmission and/or delivery of power and energy to customers over the lines of a third party) expenses are based on contractual and/or tariff rates of the service provider and are recovered through customer rates or pass-through provisions in customer contracts.

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 helps to implement EO No. 22.

The 2022 - 2023 Enacted State Budget, Section 59 of Part FFF of Chapter 56 of the Laws of 2022, 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 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, 2024, the State has reimbursed the Authority an aggregate amount of \$204 million with an agreed remaining list of \$271 million of approved projects which will continue to be reimbursed as costs are incurred.

The Authority 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; 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.

Over the period from 2026 - 2029, the Authority has designated approximately \$1.3 billion in expenditures on Clean Energy Solutions. 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 benefitting customer or entity.

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.

ELECTRIC VEHICLE ACCELERATION INITIATIVE

As of June 30, 2025, approximately \$73 million of an authorized \$100 million has been spent for Evolve NY, an electric vehicle acceleration initiative with 256 fast chargers in service across 61 locations. The Authority will own and operate a charging network of 400 direct current fast chargers across the State, the first of which became operational in September 2020.



GRANTS

NYPA and the Canal Corporation continue to pursue federal and state grant funds to offset the cost of approved capital projects and programs that align with the Authority's core mission, VISION2030 Renewed, and CLCPA.

Since 2023, NYPA and the Canal Corporation have recovered \$12.8 million in FEMA disaster recovery funding related to four previous extreme weather events and the COVID-19 pandemic. The Canal Corporation has also secured \$4.2 million in Hazard Mitigation Grant Program funding aimed at studies and projects to enhance resiliency for future storms.

Other grant programs, most notably the National Electric Vehicle Infrastructure Formula Program—which provides funding up to \$16 million for electric vehicle charging stations statewide—continue to leverage federal funding to offset the cost of projects throughout the state.

Previously awarded federal grants totaling \$84 million from the Department of Energy have been delayed as the Trump administration has paused many programs to evaluate alignment with administration priorities outlined in a series of executive orders. NYPA continuously monitors the legislative and regulatory landscape to identify opportunities for external funding.

INFLATION REDUCTION ACT

On August 16, 2022, the Inflation Reduction Act of 2022 (“IRA”) was signed into law; it aims to reduce 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 to take advantage of clean energy tax credits by investing in clean energy such as battery storage and solar, transitioning our fleet to electric vehicles (“EV”) and placement of EV infrastructure in non-urban, low-income areas. The Authority expects to monetize IRA tax credits via a direct pay option that allows tax-exempted entities to receive cash payments equal to the tax credits. The Internal Revenue Service 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 eligible projects placed in service in 2024 and expects to file a tax return by November 2025. However, there is no certainty or predictability regarding the recovery of this tax credit amount due to actions beyond the control of the Authority, such as changes in legislation.

The OBBBA signed into law on July 4, 2025, introduces significant changes to federal energy tax credits, particularly for solar projects, charging station, and electric vehicles as applicable to the Authority. Solar projects placed in service after December 31, 2027, will not qualify unless construction starts before July 4, 2026, with completion required by the end of 2030. The Qualified Commercial Clean Vehicle Credit will end for acquisitions after September 30, 2025, and the Alternative Fuel Vehicle Refueling Property Credit will terminate for facilities placed in service after June 30, 2026. Full Investment Tax Credit or Production Tax Credit for battery, hydropower and nuclear facilities will be extended for projects beginning construction before 2033, with a phased reduction starting in 2034 and ending in 2035.

The Authority is evaluating applicability of the rules to maximize the receipt of tax credits, as applicable, to current and the future projects.

ECONOMIC OUTLOOK AND VIEW ON ENERGY MARKETS

The near-term economic outlook in New York State and the United States as a whole is positive but uncertain. Although unemployment remains low, job growth has slowed significantly. Inflation has declined from its peak a few years ago but remains well above the Federal Reserve target of 2%, hovering around 3%, matching consumers' forward expectations.

The inflation impacts of the Trump administration's announced tariffs remain to be seen, while tariff-related uncertainty continues to weigh on businesses. The impacts of Federal immigration policies on economic growth and labor markets remain uncertain. At its September 2025 meeting, the Federal Reserve lowered the federal funds rate by 25 basis points and signaled the potential for additional cuts at upcoming meetings, noting two-sided risks of slowing labor market growth and persistent inflation.

The cautious actions of the Federal Reserve have reduced the risk of recession, but the pace of economic growth, the trajectory of inflation, and future labor market dynamics remain uncertain. Should the Federal Reserve decrease interest rates too quickly, the possibility exists for a resurgence in inflation which could lead to significantly negative economic disruption. Conversely, if the Federal Reserve lowers interest rates too slowly, the labor market may continue to soften, slowing the economy and increasing the likelihood of a recession.

In addition to the future course of interest rates, there are a number of other factors that could affect economic growth, particularly the uncertainty regarding tariffs. On the positive side, continued investment in domestic manufacturing and growth in data centers to support deployment of artificial intelligence ("AI") may buoy economic activity and result in gains to productivity.

Current market energy price conditions have generally been headed in a positive direction. New York State power prices in 2025 have been on average \$25 to \$30 higher this year than last. Temperatures for winter and summer of 2025 were much more seasonal compared to last year's especially during the heat wave of June 24th through June 30th when peak load reached its highest year-to-date at 31,857 MW in one hour. The summer daily peak average is roughly 22,000 – 22,800 MW while the highest peak load on record was 33,956 MW during July of 2013.

Power prices remain highly correlated with natural gas prices. There has been a noticeable increase in spark spreads, mainly attributed to a slower rise in gas prices versus power prices. This may be due to diverging market fundamentals growing the demand for power across the State.

The NYISO grid system is faced with rapid growth of large loads, increasing challenges in developing new dispatchable resources and continuous decommissioning of older generation units. Looking further out, there is added load growth expected across different industries including electric vehicles, building electrification, semiconductor manufacturing, and data centers.

The frequencies of off-forecast extreme weather and seasonal peak loads are rising. Additionally, the widespread occurrences of these weather events make it difficult to find relief through imports from neighboring states and regions. Real-time prices are heavily impacted by such events, especially during peak hours.

Of further note, in the NYISO market we have observed a convergence of upstate and downstate pricing, due to reduced congestion associated with transmission upgrades. S&P Global Platt's forward curves capture that convergence. Considering the tight power conditions and continued signs of load growth, the Authority assumes New York State power prices will continue to rise at least until there is a resolution in building more dispatchable units outside of the small natural gas power plants.

Pricing for market-based ancillary services has increased since last year following the trend of higher power market pricing for all market products. The current supply of generation is tighter, driven in part by peaker power plant retirements downstate and lower net imports of electricity to New York, which impacts the balance of supply available for ancillary services. Prices for ancillaries are highly uncertain. While there is adequate product supply available to support NYISO requirements, there is significant price volatility experienced during hot and cold weather events when grid reserve margins narrow. In some cases, large generator outages exacerbate the situation and significantly impact the market. It is still expected that as market share of intermittent generation increases, the need for system flexibility is likely to increase.

Capacity prices in New York City and NYCA have risen, largely due to gas and oil peaker plant retirements. The second phase of DEC's NOx Peaker Rule went live in May 2025. This emissions reduction initiative placed a more stringent allowance of emissions for fossil fuel units across the state, triggering more retirements of older units that could not be replaced. This reduction in supply, combined with a 4.4% increase in NYCA's Installed Reserve Margin, pushed prices higher. In New York City, the impact was slightly offset by a lower Locational Capacity Requirement. NYISO's use of a two-hour battery as the 2025 demand curve proxy also introduced a bearish signal compared to the fossil unit used in 2024.

With the continued use of the battery proxy and the addition of the Champlain Hudson Power Express line, these factors are expected to ease capacity prices over the four-year horizon. However, this may be partially offset by the removal

of Voltage Support Service payments and the Capacity Accreditation Resource Class reclassification of non-firm fuels, which are expected to raise capacity prices in NYCA assuming the effects of supply and demand.

After nearly four years, RGGI participating states completed their Third Program Review in July 2025. The updates to RGGI's design demonstrate the participating states' commitments to the environment and energy affordability by setting a more rapidly declining cap trajectory but also increasing the size of the Cost Containment Reserve ("CCR") and adding a second CCR that would make more allowances available at a price 50% higher than the first CCR. The total allowances available with both CCRs under the new model rule is roughly equivalent to the quantity that would have been available with the one CCR in 2029 under the prior rules, but for 2030 and beyond the total available allowances will be less than would have been available before this policy update. The RGGI auction price has been at or above the CCR trigger price for the last eight auctions and given the upcoming reductions in available allowances that seems likely to continue, presuming that states enact regulations to implement those changes through their own separate rulemaking processes in the year ahead.

The information and projections contained under this section are included solely for informational purposes. NYPA has prepared this information based on information available to it, including information derived from public sources that NYPA believes are reliable but have not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions expressed therein. Although NYPA believes the market data and other information is reliable, it is not warranted as to completeness or accuracy, is subject to change without notice, and NYPA accepts no responsibility to update such information after its date.

INVESTMENT INCOME

The Authority's investment of funds continues to be administered under the Bond Resolution and in accordance with the Authority's Guidelines for the Investment for Funds, which comply with the New York State Comptroller's investment guidelines for public authorities and are adopted pursuant to Section 205 of the New York Public Authorities Law.

Permitted investments include: (a) collateralized certificates of deposit, time deposits, Federal Deposit Insurance Corporation-insured products (including Certificate of Deposit Account Registry Service or similar) and money market funds, (b) direct obligations of or obligations guaranteed by the United States of America or the State of New York, (c) obligations issued or guaranteed by certain specified federal agencies and or instrumentalities of the United States

government, (d) obligations of any state or any political subdivision thereof, or related agencies/ instrumentalities/ local government units, rated in any of the three highest long-term rating categories, or the highest short-term rating category, by nationally recognized rating agencies, (e) repurchase and reverse repurchase agreements ("Repurchase Agreements"), including "gestation" repurchase agreements using treasury or agency-backed collateral with a physical trust certificate from a Federal Industry Regulatory Authority licensed broker dealer, and (f) Guaranteed Investment Contracts ("GICs") or GIC funds issued by creditworthy insurance companies, collateralized by issuer's general or separate account assets, with no more than \$50 million invested in any one contract or fund.

Under the Transmission Bond Resolution and NYREDHC, the permitted investments are mirrored as above. Under the Captive Insurance Investment Policy Statement, investments options are similar to those types stated for the Authority with the additional permitted classes including collateralized loan obligations rated AA or higher; domestic equity (common and preferred), publicly traded Real Estate Investment Trust funds; and mortgage-backed securities and collateralized mortgage obligations with a rating of AA or higher.

Investments are reported at fair value, using quoted market prices or other observable inputs where available in the consolidated statements of net position.

INTEREST RATES

At the start of 2025, the federal funds target stood at 4.25% - 4.50%, where it remained through the first half of the year as the Federal Reserve Open Market Committee balanced easing inflation against a softening labor market. By September 2025, headline inflation had slowed to about 2.9% year over year, but core inflation remained elevated, while rising unemployment placed additional pressure on policymakers.

In September, the Federal Reserve Board (the "Fed") delivered its first rate cut of the cycle, lowering the fed funds target range to 4.00% - 4.25%. Policy makers and market participants anticipate a gradual easing path: rates are expected to fall towards 3.50% - 3.75% by year-end 2025, with additional cuts projected in 2026. Over the following years, forecasts suggest the fed funds rate could settle closer to 2.75% - 3.25% by 2028 - 2029, provided inflation continues to moderate and growth remains stable.

Bloomberg U.S. Treasury Yield Consensus Forecast (%)						
	Fed Funds Rate - Upper Bound	Fed Funds Rate - Lower Bound	US 10-Year	US 30-Year	US 3-Month Term Secured Overnight Financing Rate	
Q4 25	3.85	3.60	4.15	4.72	3.77	
Q1 26	3.64	3.39	4.10	4.68	3.57	
Q2 26	3.44	3.19	4.09	4.65	3.36	
Q3 26	3.34	3.09	4.08	4.63	3.27	
Q4 26	3.29	3.04	4.08	4.65	3.20	
Q1 27	3.22	2.97	4.01	4.64	3.29	
Q2 27	3.22	2.97	3.98	4.60	3.30	
Q3 27	3.24	2.99	3.99	4.61	3.36	
Q4 27	3.22	2.97	3.97	4.58	3.33	
Q1 28	3.29	3.04	4.03	4.60	3.39	

Source: Bloomberg weighted average treasury and benchmark yield forecast survey results (BYFC) as of October 21, 2025.
Survey reflects averages of results from 19-65 surveyed firms.

Bloomberg Muni AAA Forward Yield Curve (%)						
Tenor	SPOT Q4 25	Q4 26	Q4 27	Q4 28	Q4 29	
1 Yr	2.42	2.33	2.08	2.26	2.27	
5 Yr	2.27	2.35	2.47	2.69	2.93	
10 Yr	2.77	2.96	3.18	3.47	3.76	
15 Yr	3.39	3.58	3.81	4.06	4.33	
20 Yr	3.86	4.01	4.18	4.39	4.58	
30 Yr	4.12	4.24	4.38	4.53	4.69	
50 Yr	4.36	4.46	4.58	4.71	4.84	

Source: Bloomberg Muni AAA Forward Yield Curve as of October 21, 2025.



OPERATIONS AND MAINTENANCE EXPENSES

OPERATIONS AND MAINTENANCE FORECAST BY COST ELEMENT (IN \$ MILLIONS)

	2026	2027	2028	2029
Payroll				
Regular Pay	\$351.6	\$365.7	\$380.5	\$395.9
Overtime	15.5	16.1	16.8	17.5
Other Payroll	9.7	9.9	10.0	10.2
Total Payroll	376.7	391.7	407.3	423.7
Other Operations and Maintenance				
Benefits	177.7	183.7	191.7	200.1
Materials/Supplies	34.8	36.0	37.3	38.7
Fees	14.1	14.8	15.4	16.1
Office and Stationery	42.0	43.6	45.3	47.1
Maintenance Repair, Service Contracts and Consultants	294.5	304.7	314.8	328.4
Total Other	563.1	582.8	604.6	630.4
Charges to				
Outside Agencies	(1.1)	(1.1)	(1.2)	(1.2)
Capital Programs	(76.7)	(79.9)	(83.2)	(86.7)
Total Charges	(77.8)	(81.0)	(84.4)	(88.0)
NYPA/CANALS/SFP/CAPTIVE Operations and Maintenance	\$862.0	\$893.5	\$927.5	\$966.2
NYREDHC Operations and Maintenance	\$5.0	\$8.9	\$17.2	\$23.1

DETAILED BREAKOUT OF 2026 OPERATIONS AND MAINTENANCE BY FACILITY

(IN \$ MILLIONS)

Profit Center	Site Operations & Maintenance	Enterprise	Total
Niagara	\$78.3	\$88.8	\$167.1
St. Lawrence	40.5	41.6	82.1
Blenheim-Gilboa	27.5	18.3	45.7
Small Natural Gas Power Plant	31.0	13.2	44.3
Flynn	12.0	6.8	18.8
Small Hydro	11.1	5.8	17.0
Zeltmann	36.7	18.6	55.3
Recharge NY	3.3	0.9	4.2
SENY	3.5	4.1	7.6
Transmission	23.6	154.7	178.4
Total Sites and Enterprise	\$267.6	\$352.7	\$620.3

Non-Utility Profit Centers

Clean Energy Solutions	\$26.7
EV Charging	10.5
Distributed Energy Resources	4.1
NYEM Platform	3.0
eMobility	2.8
Green Power Supply Products	2.3
Large Energy Storage	1.0

Total NYPA Operations and Maintenance \$670.7

Total Canals Operations and Maintenance \$116.7

Total SFP \$74.7

FURTHER BREAKOUT OF NYPA 2026 ENTERPRISE EXPENSES

(IN \$ MILLIONS)

Enterprise \$352.7M



DEPRECIATION AND AMORTIZATION EXPENSES

The provisions for depreciation for utility plants result from the application of straight-line rates determined by age life studies of assets in service. The rates are applied to groups of depreciable capital assets. The related depreciation provisions on June 30, 2025, and December 31, 2024, expressed as a percentage of average depreciable capital assets on an annual basis are:

Type of Plant	Average Depreciation Rate	
	2025	2024
Production		
Hydro	2.3%	2.3%
Gas turbine/combined cycle	2.2	2.2
Transmission	2.3	2.3
General	5.5	5.5
Energy Storage	10.0	10.0
Canal System	3.9	3.9

OTHER EXPENSES

The Other Expenses category largely reflects various accruals and other miscellaneous expenses (e.g., payments to the NNYED and WNYED funds), some of which require Board of Trustees authorization on a case-by-case basis.

CANAL CORPORATION

Effective January 1, 2017, the Canal Corporation became a subsidiary of NYPA, and NYPA assumed certain powers and duties relating to the Canal System to be exercised through the Canal Corporation. 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 through transfers made from the Authority. Any transfer of funds would be subject to approval by the Board of Trustees and in compliance with NYPA's General Resolution Authorizing Revenue Obligations, as amended and supplemented ("General Bond Resolution"). Certain expenses eligible for reimbursement are expected to be reimbursed to the Authority by monies held in the Canal Development Fund maintained by the State Comptroller and the Commissioner of Taxation and Finance.

The Canal Corporation is committed to revitalizing the Canal System as defined in VISION2030 Renewed. In December 2024, the Canal Recreationway Commission published the Canal Recreationway Plan 2050, a roadmap for the next 25 years to create a unified system of waterways, trails and park-like spaces.



Given the age of the Canal System, the Authority expects significant maintenance and capital investments will be required to assure the Canal System's continuing operation. The Authority's budget and financial plan for the Canal System for 2026 - 2029 includes operating and capital expenditures necessary to operate, maintain, and repair the system. For the past two Enacted State Budgets, New York State appropriated \$50 million annually in support of the Canal Corporation's capital expenses. The Authority will continue to evaluate the condition of the Canal System and expects to allocate additional funding if deemed necessary through its annual budgeting process or reduce funding if efficiencies are found. The Authority is also exploring additional funding opportunities through state and federal programs.

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 pure captive insurance company enabling the Authority to effectively provide coverage for risks that are not insured, not insurable on the traditional commercial markets or prohibitively expensive to insure through the commercial markets and to provide the Authority with related tax exemptions.

On September 29, 2022, NYPA's Board of Trustees approved the formation of a subsidiary corporation to be called the NYPA Captive Insurance Company and the Authority thereafter filed an application for a license with the New York State Department of Financial Services (the "DFS"). On May 2, 2023, the DFS issued the Certificate of Incorporation for Captive, and Captive's Board of Directors held an organization meeting on May 25, 2023. The DFS issued the requisite license to operate to Captive on July 25, 2023.

Captive has initially underwritten a Terrorism Risk Insurance Act ("TRIA") certified nuclear, biological, chemical, radiological and cyberterrorism ("NBCR") terrorism policy with 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, Captive underwrote a cyber deductible reimbursement line in the amount of \$5 million per occurrence. On June 15, 2024, Captive underwrote a general liability deductible reimbursement line in the amount of \$5 million per occurrence with a \$200,000 deductible. On January 1, 2025, Captive underwrote a Canal Corporation property deductible reimbursement line in the amount of \$20 million per occurrence with a \$200,000 deductible.

It is anticipated that the existence of Captive 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.

SEPARATELY FINANCED PROJECTS (“SFP”)

The Authority has adopted its Transmission Bond Resolution (a bond resolution separate from the General Bond 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 electricity, whether owned or leased (jointly or singly) by the Authority. This includes any transmission capacity in which the Authority holds an interest or a contractual right to use, provided the Authority designates it both as a “Separately Financed Project” under the General Bond Resolution and an “SFP Transmission Project” under the Transmission Resolution (an “SFP Transmission Project”). To date, three projects have been designated as SFP Transmission Projects: Smart Path, Smart Path Connect and CEEC.

In January 2022, the Authority’s trustees authorized the issuance of Green Transmission Project Revenue Bonds, Series 2022A (the “2022A Transmission Revenue Bonds”), under the Transmission Bond Resolution - distinct from the Authority’s General Bond Resolution. The 2022A Bonds were issued on a tax-exempt basis in April 2022, in an aggregate principal amount of approximately \$608 million.

Proceeds of the 2022A Bonds were used to fund capital expenditures related to the on-going Smart Path and CEEC transmission construction projects (the “2022A SFP Transmission Projects”); reimburse prior expenditures related to those projects; and to pay issuance and other ancillary expenses incurred with respect to the Bonds.

In September 2023, the Authority’s trustees authorized the issuance of Green Transmission Project Revenue Bonds, Series 2023A (the “2023 Transmission Revenue Bonds”), under the Transmission Bond Resolution, (distinct from the General Bond Resolution). On November 16, 2023, the Authority issued \$734 million of 2023A Bonds at a premium.

The proceeds of the 2023A Transmission Revenue Bonds will be used to fund capital expenditures for the on-going Smart Path Connect project (the “2023A SFP Transmission

Project”); reimburse prior project related expenditures; and to pay issuance costs and other expenses associated with the Bonds.

The 2022A and 2023A Transmission Revenue Bonds (collectively, the “Transmission Revenue Bonds”) are not payable from, nor secured by, revenues pledged under the Authority’s General Bond Resolution, directly or indirectly. Rather, they are limited obligations of the Authority, payable solely from and secured exclusively by the SFP Transmission Trust Estate pledged under the Transmission Resolution. That estate includes (but is not limited to) the revenues (net of operating expenses) allocable to the 2022A and 2023A SFP Transmission Projects. However, the SFP Transmission Trust Estate excludes any real property, structures, facilities, or equipment owned by the Authority.

NEW YORK RENEWABLE ENERGY DEVELOPMENT HOLDINGS COMPANY

NYREDHC is authorized to carry out NYPA’s renewable energy business and strategy as provided under Expanded Authority. On January 28, 2025, the Authority published its inaugural NYPA Renewables Strategic Plan, which described for the first time how the Authority will operationalize its renewables work and identified 37 projects totaling more than 3.0 GW of capacity for development consideration. NYREDHC is authorized to pursue any project identified in the Strategic Plan.

NYPA expects that the activities of NYREDHC, as a separate legal entity from NYPA, will be conducted in a manner such that NYPA is not expected to be responsible for the financial or other obligations of NYREDHC. On December 31, 2024, NYPA funded NYREDHC with \$100 million from amounts released from the lien of the Trust Estate created by the General Bond Resolution. On February 28, 2025, NYREDHC purchased a 100% equity stake in Somers Solar from an affiliate of CS Energy, LLC and is actively working to move the project into construction. Somers Solar is a 20-MW project located in Fort Edward, NY and was awarded a NYSERDA Tier 1 Index REC under the 2024 RES Solicitation.

On May 1, 2025, NYPA executed a shared services agreement with NYREDHC under which NYREDHC will be required to reimburse NYPA for costs of providing services.

The Authority has continued to conduct due diligence on projects and on July 29, 2025 posted a draft update to the Strategic Plan for public comment through September 12, 2025. The Authority is reviewing comments and feedback and anticipated to have an updated Strategic Plan approved in December by the Authority and NYREDHC Trustees. Further, in September 2025, NYPA and NYREDHC Trustees approved an intercompany loan facility for up to \$100 million to fund ongoing investments by NYREDHC in renewable energy projects. NYREDHC Trustees in September also approved Somers Solar, LLC to execute an Engineering, Procurement, and Construction contract, along with other

related project contracts, for up to \$50 million, a portion of which will be funded by the intercompany loan facility.

NYREDHC plans to invest \$1.2 billion in renewable energy and storage projects from 2026 – 2029. NYREDHC expects to have several key sources of funds that will support this investment. NYPA is expected to contribute a total of \$200 million of equity in 2026 and 2027, which is in addition to the \$100 million released at the end of 2024. Further, the 2025-2026 Enacted State Budget contains a Sustainable Future Program (Section 75-0103 of the Environmental Conservation Law), which provides for “not less than \$200 million for renewable energy projects, including” renewable energy generating projects undertaken pursuant to Expanded Authority. NYREDHC is planning for \$200 million of the Sustainable Future Funds as a source of funds and expects the intercompany loan facility, tax credits for safe harbored projects, operating cashflow and project financing to provide the remaining capital necessary to construct the portfolio.

ROBOTICS PROGRAM

The Authority’s Robotics Program has evolved into a multi-platform initiative supporting inspections and operations across generation, transmission, canals, and customer assets. The program now includes 130 Small Unmanned Aerial Systems a fixed-wing Vertical Take-Off and Landing aircraft, a pipe robot, and confined space systems, collectively enabling rapid condition assessments, faster incident response, and enhanced operational safety.

In 2025, the program successfully executed 2,161 missions, including 447 conducted through remote operations, totaling more than 60 flight hours. Through Federal Aviation Administration waivers, the Authority continues to pioneer



advanced missions, including Beyond Visual Line of Sight operations. The program has also trained and certified 146 pilots across all Authority sites, reinforcing the principle that robotics serve as an extension of the workforce while enhancing safety, efficiency, and decision making.

Beyond its operational achievements, the award-winning program has expanded its community impact, leading nearly 63 STEM engagement events statewide. On July 27, 2023, the Board of Trustees authorized a \$37 million, five-year investment in the program. Following two years of demonstrated performance, the program received the remaining \$26 million on March 7, 2025.

d. SELF-ASSESSMENT OF BUDGETARY RISKS

Set forth below is a summary of key risks associated with the Authority’s assets and operations. The following discussion of risks is intended only as a summary and does not purport to identify all the risk factors that may affect the Authority’s assets and operations. Any one or more of the factors discussed and others could adversely affect the Authority’s operations, assets, revenues, and expenses to an extent that cannot be determined at this time.

The Authority’s business units represent the first line of defense in identifying and mitigating risk within each of their verticals. This is complemented by a robust, ongoing assessment process, overseen by the Authority’s Risk and Resilience group and through legal review.

During the annual budgeting process, the Financial Planning and Analysis team consolidates information received from various departments at the Authority that is added to the financial forecast. The team engages and challenges all assumptions while working towards representing the most likely future financial outcome for the Authority. Additionally, the Board of Trustees authorized an enterprise-wide risk management program through an established Risk Management group that supports the business with identification, assessment, response, monitoring and reporting of risks.

The Authority’s enterprise risk and resilience efforts are guided by the principles of ISO-31000 Risk Management and COSO Enterprise Risk Management and support risk-informed decision-making across the organization. The Authority’s risk management framework utilizes a five-step risk lifecycle for managing risks: Identify, assess, respond, monitor, and report. Risks and opportunities can be identified from various sources. Examples of possible internal and external sources for risk identification include employees, benchmarking, contractors, industry-relevant reports, and professional networks. Methods to identify risks include assessments, surveys, workshops, audits, business planning/ brainstorming and incident response.

The Authority’s risk management maintains a risk register and an enterprise governance, risk and compliance system. Risk assessments are typically performed using a risk rating matrix

that maps impact and likelihood across several risk impact types and likelihood ranges.

Enterprise risks are reported by the risk management department to the Executive Risk and Resilience Management Committee and are included in a semiannual report to the Board of Trustees Risk and Resilience subcommittee.

ENTERPRISE LEVEL RISKS

REGULATORY ENVIRONMENT RISKS

Congressional, state and regulatory action for the increased regulation of air, water and contaminants is periodically considered, and there are potential legislative and regulatory proposals which may affect the electric utility industry, including the Authority. It is not possible to predict whether any of such bills or other bills of a similar type which may be introduced will be enacted. In addition, from time to time, legislation is enacted into New York State law that purports to impose financial and other obligations on the Authority, either individually or along with other public authorities or governmental entities. The applicability of such provisions to the Authority would depend upon, among other things, the Authority's operations if any such proposals are not predictable or quantifiable.

On July 18, 2019, the State enacted the CLCPA as Chapter 106 of the Laws of 2019 ("Chapter 106"). The date upon which most provisions of Chapter 106 will become effective are dependent on the date that related legislation becomes effective.

Several provisions of Chapter 106 could potentially impact the Authority's business and operations, such as the following: (1) provisions authorizing the state Department of Environmental Conservation to promulgate regulations establishing limits on statewide greenhouse gas ("GHG") emissions and to ensure compliance with such limits; (2) a requirement that specified state entities, including the Authority, adopt regulations to contribute to achieving statewide GHG emissions; (3) a requirement that state entities, including the Authority, assess and implement strategies to reduce GHG emissions; (4) consideration of whether actions that the Authority would undertake in the course of its operations are consistent with state GHG emission limits that will be established pursuant to the enactment; and (5) potential allocation or realignment of resources to support the state's clean energy and energy efficiency goals for disadvantaged communities.

Many of the provisions of Chapter 106 that could impact the Authority are not likely to be implemented for several years, based on deadlines established in the enactment. Therefore, the Authority cannot evaluate the impact of any particular provision of Chapter 106 on the Authority's business and operations at this point.

LEGISLATIVE ENVIRONMENT RISKS

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 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.

HYDROPOWER GENERATION RISK

The Authority's net income is highly dependent upon generation levels at its Niagara and St. Lawrence-FDR power projects. The generation levels are a function of the hydrological conditions prevailing on the Great Lakes – primarily, Lake Erie (Niagara Power Project) and Lake Ontario (St. Lawrence-FDR Power Project). The long-term generation level at the two projects is approximately 21.4 terawatt-hours ("TWh") annually. The Authority's hydroelectric generation forecasts are as follows, 20.9 TWh in 2026, 21.0 TWh in 2027, 21.2 TWh in 2028, and 21.2 TWh in 2029. For every TWh movement, the estimated net income impact is approximately \$50 million based on market prices.

Environmental or external factors (e.g., climate change, precipitation, flooding and ice conditions) can cause hydrological conditions to vary considerably from year to year. Hydropower generation may also face risks due to transmission line constraints within the region that impact the ability to generate energy and increased competitiveness of other types of renewable generation.

SUSTAINED MARGIN REDUCTION AND COMMODITY MARKET PRICE VOLATILITY 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 could impact the Authority's financials.

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. Commodities hedged include natural gas, natural gas basis, aluminum, energy, capacity, and congestion costs associated with the transmission of electricity. Hedges mitigate the uncertainty in the price of energy and related products sold or purchased by the Authority. Hedges made on behalf of the Authority's customers are passed through, at cost, as provided for in customer contracts.

DISRUPTIVE INNOVATION AND CUSTOMER ENERGY CHOICES

Transformative technologies and customer empowerment create uncertainty for the Authority and the electric utility industry that can produce new business opportunities or impact demand for electricity. Through its strategic planning and risk management processes, the Authority regularly evaluates its mission, objectives, and customer needs, and seeks to appropriately position itself to effectively meet the challenges of the transforming electric industry. This is done through the use of and constant re-evaluation of the Authority's long-term strategic plan, asset management strategy and a suite of customer solutions, including new/modified product offerings. The impact on the Authority's operations of any such industry transformation is not predictable or quantifiable.

ATTRACT, DEVELOP AND RETAIN A DIVERSE AND QUALIFIED WORKFORCE

Like many other industries, the power and utility sectors are seeing increased competition for, and a general shortage of, talent in high-skilled areas. This is expected to continue and be further impacted by transformations in the industry where new technologies are being developed and deployed. The Authority recognizes the uncertainty with being able to attract and retain the skills and competencies needed to meet objectives. The Authority regularly evaluates and positions its recruiting, talent development and benefits programs accordingly, through its workforce planning strategic initiative and other ongoing efforts.

CYBER AND PHYSICAL SECURITY

The federal government recognizes the electric utility industry as critical infrastructure and works closely with the industry to ensure awareness of ongoing threats and see that appropriate protections are in place against physical and cyber-attacks. The Authority constantly assesses the nature of these risks and adjusts its resources to best anticipate and respond to any threats.

Investments to harden physical and cyber assets, and their related infrastructure, are continually assessed to minimize potential adverse impacts to the Bulk Electric System, detect and deter sabotage attempts, and protect the Authority and its customer information. The Authority maintains a comprehensive cyber security program consisting of preventive and detective controls that are fully integrated into its digital ecosystem. The program includes extensive external partnerships with industry organizations and government agencies to share best practices as well as classified and unclassified threat intelligence to keep pace with the evolving threat landscape.

The program is continually re-evaluated to ensure the effectiveness of the controls. The Authority maintains

compliance with North American Electric Reliability Corporation Critical Infrastructure Protection standards. In addition, the Authority engages a third party to conduct an annual independent assessment of enterprise program maturity against the National Institute of Standards and Technology Cyber Security Framework. The Authority further mitigates the financial impact resulting from a cyber event through the purchase of cyber insurance. Any cyber acts considered terrorism would be covered through the Authority's property policy and/or TRIA.

DATA MANAGEMENT

The Authority leverages its connectivity, analytics, and digital infrastructure to optimize physical and data assets, enable its workforce and empower customers. Collecting, managing, evaluating and protecting the increased data associated with enhanced digitization efforts introduces additional risk exposure. The Authority has classified its data risk based on risk tiers from its data protection policy and leverages an information architecture to visualize the systems in use. Cyber security solutions, as well as resiliency risk management planning tools, support the management of data at the Authority.

BUSINESS CONTINUITY

A catastrophic natural event, such as severe weather, flooding or an earthquake, can negatively affect the operations of the Authority's assets and the Bulk Electric System. The Authority regularly evaluates the resiliency of its assets. In addition, the Authority has implemented disaster planning programs relating to emergency management, disaster recovery and business continuity. These plans utilize an all-hazards approach to ensure the Authority's operating facilities and corporate offices are prepared to respond to any natural or man-made threat.

The Authority regularly conducts drills and exercises to ensure advance preparation for these types of events. The Authority maintains close working relationships with local first responders and government agencies to ensure its ongoing preparedness. An outbreak of disease or similar public health threat, such as a pandemic, or fear of such an event, could have an adverse impact on the Authority's financial condition and operating results.

FRAUD AND INSIDER THREAT

The Authority recognizes the potential of insider activities perpetrated by personnel who have or had authorized access to Authority facilities, information, or systems that could negatively impact the organization. Several functions across the Authority (e.g., Ethics and Compliance, Legal, Cyber Security, Physical Security, etc.) have controls in place that deter, detect, and mitigate discreet threats caused by insiders such as monitoring privileged users, managing remote access, limiting end points, enforcing separation of duties, and maintaining least privilege rights.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE, AND DIVERSITY, EQUITY AND INCLUSION

The Authority is accountable to stakeholders for effectively managing Environmental, Social and Governance and Diversity, Equity and Inclusion risks, as reflected in the Foundational Pillars for VISION2030 Renewed: Sustainability, People and Values, and Communities. Ineffective management may result in financial, reputational, or operational impacts. Through a strategic governance framework, the Authority elevates related concerns across leadership and business units, enabling oversight, implementation, and disclosure—advancing transparent sustainability practices, an inclusive and safety-first culture, and community-focused equity and engagement.

THIRD-PARTY PORTFOLIO

The Authority recognizes the potential risk exposure of its third-party portfolio. A limited supply base, supply chain disruption, geopolitical tensions, and changes in supplier laws and regulations can increase third-party risk exposure to the Authority if not managed adequately.

The Authority has a dedicated Strategic Supply Management team that works with other business units and third parties to understand their plans for local/domestic sourcing, in lieu of relying solely on manufacturing equipment from overseas, to identify readily available alternatives and increase business resiliency.

The Authority maintains focus on key supplier relationships to ensure quality products and services are delivered.

In addition to key suppliers and supply chain management the Authority is also expanding its use of third-party arrangements such as partnerships and joint ventures. Engaging in joint ventures allows us to leverage the complementary strengths, resources and expertise of our partners, leading to enhanced competitive advantage and access to new markets. However, the Authority recognizes that joint ventures come with risks, such as potential conflicts of interest, cultural and operational differences, and the complexities of shared decision-making. To mitigate these risks, the Authority prioritizes thorough due diligence, clear communication and well-defined agreements to ensure alignment of goals.

CANAL CORPORATION

The Authority has identified key risk areas relating to the Canal Corporation and continues to employ and assess risk mitigation options across multiple enterprise risk fronts to manage or reduce potential exposures. Managing risk is one of the Canal Corporation's highest priorities as risk management is practiced at all levels of the organization. The Canal Corporation's risk management policies and protocols are designed to ensure that risks are identified, understood, communicated and documented, and that controls to

avoid or mitigate out-of-tolerance risks are in place. Fully understanding risks involves assessing the impact and likelihood of an undesirable occurrence.

The Canal Corporation's approach to asset and risk management has continually evolved since joining NYPA. The Canal Corporation has enhanced its structural inspection program and expanded its asset management program. The Canal System now averages 500 structural inspections per year and is further bolstered by the inspection and risk-based work of NYPA's Dam Safety team. This essential source of information feeds the Canal Corporation's approach to asset management, which, has been formally assessing asset risk statewide since 2021 by holding quarterly long-range planning risk meetings.

This framework and cadence have guided the Canal Corporation through a period of change management to adopt robust risk management practices and policies, similar to those modeled at NYPA. As part of the Canal Corporation's ongoing management strategy, the Authority will adjust and allocate resources accordingly.

PANDEMIC

The COVID-19 pandemic changed societal and business operation norms and impacted the risk profiles of organizations globally. The Authority continues to mitigate this risk through proactive and robust pandemic response plans. The Authority is well positioned to address future pandemic and business concerns by employing mitigation strategies such as an incident command system, business continuity plans, remote work policies, and return to work procedural and physical modifications.

CRITICAL INFRASTRUCTURE

The Authority is exposed to potential critical infrastructure failure that may lead to service disruption, injury and/or degradation of system reliability, all of which could impact financial results. The Authority engages in several activities to mitigate these risks, including the recertification of the ISO 55001 Asset Management certificate, the purchase of insurance, redundancy of major equipment, capital investments and a robust operations maintenance program.

Furthermore, the rigor of the Authority's asset management best practices has improved consistent use of data to understand asset health and enhanced monitoring of asset conditions to allow the Authority to prioritize investment based on risk. This has ensured that the Authority is prepared for energy industry transformations that are imminent to support meeting the State's environmental goals.

WORKFORCE HEALTH AND SAFETY

The Authority is exposed to a variety of health and safety risks. The health and safety of the Authority's workforce, customers, contractors, and the citizens of New York State

are of the highest priority to the Authority. The Authority has multiple levels of controls, policies, procedures, and training programs to reduce and/or eliminate health and safety risks to the public and its workforce.

LITIGATION RISK

ST. REGIS LITIGATION

In 1982 and again in 1989, several groups of Mohawk Indians, including a Canadian Mohawk tribe, filed lawsuits (the St. Regis litigation) against the State, the governor of the State, St. Lawrence and Franklin counties, the St. Lawrence Seaway Development Corporation, the Authority, and others, claiming ownership to certain lands in St. Lawrence and Franklin counties and to Barnhart, Long Sault and Croil islands. The 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, 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 St. Regis Mohawk Tribe \$2 million a year for 35 years and provide up to 9 MW of its hydropower at preference power rates to serve the needs of the St. Regis Mohawk Tribe's reservation.

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

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

HELICOPTER INCIDENT NEAR THE AUTHORITY'S TRANSMISSION LINES IN BEEKMANTOWN, NEW YORK

The Authority contracted with Northline Utilities, LLC ("Northline") to install fiber optic ground wire along the Authority's transmission system. Thereafter, Northline entered into a contract with Catalyst Aviation, LLC ("Catalyst") for helicopter services. In 2018, a Catalyst helicopter was destroyed when it collided with a wooden utility pole and power lines near Beekmantown, New York. Members of the helicopter crew were injured, and two members of that crew died as a result of their injuries. The Authority has received two notices of claim arising out of this incident. The Authority has pursued insurance coverage under Northline's insurance policies that name the Authority as an additional insured. The Authority tendered its defense of these Notices of Claim to Northline's insurer, and the insurer has accepted the Authority's tender. The Authority believes that there exists sufficient insurance coverage to cover these claims. In any event, to the extent that the insurance coverage limitations are insufficient, Northline is responsible under the defense and indemnification provisions of its contract with the Authority. The Authority's outside counsel moved for Summary Judgment which was granted in full by the Trial Court. The plaintiffs have appealed to the Appellate Division, Second Department. The appeal is now fully briefed and oral argument was held on May 29, 2025 and the parties are waiting for the court to issue its decision.

MISCELLANEOUS

Additional 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 Authority's opinion, 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 its business. While the Authority cannot presently predict the outcome of the matters described above or any related litigation, the Authority believes it has meritorious defenses and positions with respect thereto. However, adverse decisions of a certain type in the matters discussed above could adversely affect Authority operations and revenues.

e. REVISED FORECAST OF 2025 BUDGET

REVISED FORECAST OF 2025 BUDGET
(IN \$ MILLIONS)

	Original Budget 2025	Revised Forecast 2025	Variance Favorable / (Unfavorable) 2025
Operating Revenues			
Generation Revenue	\$926.3	\$1,078.3	\$152.0
Ancillary Service Revenue	37.0	54.6	17.7
Transmission and Other	321.6	367.4	45.8
Separately Financed Projects Net Income	78.7	87.3	8.6
Non-Utility Revenue	67.9	79.0	11.1
Pass-Through Revenue	1,906.2	2,218.5	312.3
Total Operating Revenues	3,337.6	3,885.1	547.5
Operating Expenses			
Purchased Power	(12.5)	(48.9)	(36.4)
Fuel Consumed - Oil and Gas	(35.3)	(47.5)	(12.2)
Transportation and Delivery	(96.8)	(96.4)	0.4
Pass-Through Expense	(1,906.2)	(2,218.5)	(312.3)
Operations and Maintenance	(690.7)	(712.2)	(21.5)
Other Expenses	(108.6)	(195.6)	(87.0)
Total Operating Expenses	(2,850.1)	(3,319.1)	(469.0)
NET OPERATING INCOME	487.5	565.9	78.4
Non-Operating Income & Expenses			
Depreciation and Amortization	(357.3)	(347.3)	10.0
Investment and Other Income	76.3	99.0	22.7
Canals Grant Proceeds	0.0	4.4	4.4
Interest and Other Expenses	(35.2)	(37.9)	(2.7)
Total Non-Operating Income and Expenses	(316.3)	(281.9)	34.4
NYPA/CANALS/SFP/CAPTIVE NET INCOME	\$171.2	\$284.0	\$112.9

REVISED FORECAST OF 2025 BUDGET (IN \$ MILLIONS)

	Original Budget 2025	Revised Forecast 2025	Variance Favorable / (Unfavorable) 2025
Operating Revenues			
Generation Revenue	\$0.1	\$0.0	(\$0.0)
Total Operating Revenues	0.1	0.0	(0.0)
Operating Expenses			
Operations and Maintenance	(5.0)	(0.4)	4.6
Other Expenses	0.0	0.4	0.4
Total Operating Expenses	(5.0)	0.0	5.0
NET OPERATING INCOME	(5.0)	0.0	5.0
Non-Operating Income and Expenses			
Depreciation and Amortization	(0.3)	(0.2)	0.1
Investment and Other Income	0.0	4.6	4.6
Interest and Other Expenses	(0.0)	1.2	1.2
Total Non-Operating Income and Expenses	(0.4)	5.6	6.0
NYREDHC NET INCOME	(\$5.3)	\$5.6	\$11.0

f. RECONCILIATION OF 2025 BUDGET AND 2025 REVISED FORECAST

As of September 2025, year-end net income is forecasted to be \$290 million, which is \$124 million above budget. This variance is primarily due to higher transmission revenues and higher generation revenues, driven by favorable power prices and increased generation. Sustained higher interest rates have contributed to higher investment income due to fewer than anticipated interest rates cuts by the Fed, which are partially offset by higher operating expenses primarily driven by contributions to NYPA's monetized funds, as a result of higher-than-budgeted energy costs.

g. STATEMENT OF 2024 FINANCIAL PERFORMANCE

NET INCOME - ACTUAL VS. BUDGETED FOR THE YEAR ENDED DECEMBER 31, 2024¹

(IN \$ MILLIONS)

	Budget 2024	Actual 2024	Variance Favorable / (Unfavorable) 2024
Operating Revenues			
Generation Revenue	\$843.2	\$958.8	\$115.6
Ancillary Service Revenue	41.9	38.0	(3.9)
Transmission and Other	351.5	279.6	(71.9)
Separately Financed Projects Net Income	42.7	107.0	64.3
Non-Utility Revenue	42.3	50.4	8.0
Pass-Through Revenue	1,928.4	1,910.7	(17.7)
Total Operating Revenues	3,250.1	3,344.5	94.4
Operating Expenses			
Purchased Power	(14.3)	(28.8)	(14.5)
Fuel Consumed - Oil and Gas	(36.2)	(31.9)	4.3
Transportation and Delivery	(95.3)	(94.9)	0.4
Pass-Through Expense	(1,928.4)	(1,910.7)	17.7
Operations and Maintenance	(661.9)	(666.2)	(4.2)
Other Expense	(85.6)	(88.6)	(3.1)
Total Operating Expenses	(2,821.8)	(2,821.2)	0.6
NET OPERATING INCOME	428.4	523.3	95.0
Non-Operating Income and Expenses			
Depreciation and Amortization	(316.8)	(338.7)	(21.9)
Investment and Other Income	59.3	74.7	15.4
Interest and Other Expenses	(48.8)	(100.7)	(51.8)
Total Non-Operating Income and Expenses	(306.4)	(364.7)	(58.3)
NYPA/CANALS/SFP/CAPTIVE NET INCOME	\$122.0	\$158.6	\$36.6

¹ Values in certain categories have been rounded.

SUMMARY OF 2024 FINANCIAL PERFORMANCE

The Authority had a net income of \$159 million for the year ended December 31, 2024, compared to budgeted net income of \$122 million, an increase of \$37 million. The 2024 variance is primarily due to favorable power prices, and lower-than-budgeted fuel transactions associated with the Authority's fossil fleet. These increases are partially offset by higher depreciation expense and higher other expenses, driven by the settlement of the St. Regis litigation.

h. EMPLOYEE DATA – NUMBER OF EMPLOYEES, FULL TIME, FTES, AND FUNCTIONAL CLASSIFICATION

HEADCOUNT PROJECTIONS 2026 – 2029

	2026	2027	2028	2029
Enterprise	818	836	853	870
Operations	1,402	1,431	1,461	1,490
Transmission	305	312	318	325
Total NYPA¹	2,525	2,579	2,632	2,685
Canal Corporation	537	537	537	537
Total NYPA and CANAL CORPORATION	3,062	3,116	3,169	3,222

¹ Estimated positions including vacancies subject to authorization.

i. GAP-CLOSING INITIATIVES – REVENUE ENHANCEMENT OR COST – REDUCTION INITIATIVES

When building a multi-year operating plan, the Authority has developed contingency plans to adapt to unforeseen changes in its financial results. The Authority projects positive net income for the 2026 - 2029 period, constructed upon a level of expenses outlined within this Four-Year Financial Plan. If that net income projection materially changes during the forecast period, the Authority will take actions if deemed appropriate.

j. MATERIAL NON-RECURRING RESOURCES – SOURCE AND AMOUNT

Except as discussed elsewhere in this report, there are no material non-recurring resources expected in the 2026 -2029 period. Matters identified in this report including the risk sections may cause material non-recurring resources over the next four years.

k. SHIFT IN MATERIAL RESOURCES

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. Pursuant to such authority, NYPA formed NYREDHC as a subsidiary under the New York Business Corporation Law, the shares of which are wholly owned by the Authority. On May 1, 2025, NYPA executed a shared services agreement with NYREDHC under which NYREDHC will be required to reimburse NYPA for costs of providing services. On September 23, 2025, the Authority authorized an intercompany loan facility of up to \$100 million to NYREDHC.

I. DEBT SERVICE

NEW YORK POWER AUTHORITY PROJECTED DEBT OUTSTANDING (FYE)

(IN \$ THOUSANDS)

	2026	2027	2028	2029
General Bond Resolution Revenue Bonds ¹	\$1,684,630	\$2,034,630	\$2,034,630	\$2,034,630
Commercial Paper Notes	\$500,000	\$500,000	\$500,000	\$500,000
Grand Total	\$2,184,630	\$2,534,630	\$2,534,630	\$2,534,630

¹ 2027 includes \$350 million in new tax exempt and taxable bonds.

SEPARATELY FINANCED PROJECTS PROJECTED DEBT OUTSTANDING (FYE)

(IN \$ THOUSANDS)

	2026	2027	2028	2029
Transmission Resolution Revenue Bonds ^{1,2}	\$1,306,245	\$1,772,450	\$1,715,390	\$1,908,840
Grand Total	\$1,306,245	\$1,772,450	\$1,715,390	\$1,908,840

¹ 2027 includes \$500 million in new tax-exempt bonds for Propel NY.

² 2029 includes \$250 million in new tax-exempt bonds for Uniondale Hub Substation.

THE AUTHORITY DEBT SERVICE AS PERCENTAGE OF PLEDGED REVENUES (ACCRUAL BASED) ¹

(IN \$ THOUSANDS)

	2026		2027		2028		2029	
	Debt Service	% of Revenue						
Revenue Bonds	\$47,287	1%	\$51,725	1%	\$69,108	2%	\$73,756	2%
Commercial Paper Notes	\$15,000	0%	\$15,000	0%	\$15,000	0%	\$15,000	0%
Grand Total Debt Service	\$62,287	2%	\$66,725	2%	\$84,108	2%	\$88,756	2%

Debt Service Coverage Ratio ²	14.9x	14.9x	11.2x	11.3x
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¹ 2026 - 2029 includes capitalized interest expense.

² Includes Long-Term Debt Only, Excluding Separately Financed Projects and Canals Grant Proceeds.

SFP DEBT SERVICE AS PERCENTAGE OF PLEDGED REVENUES (ACCRUAL BASED)¹

(IN \$ THOUSANDS)

	2026		2027		2028		2029	
	Debt Service	% of Revenue	Debt Service	% of Revenue	Debt Service	% of Revenue	Debt Service	% of Revenue
Transmission Resolution Revenue Bonds	\$98,390	33%	\$119,974	34%	\$111,519	32%	\$98,560	30%
Transmission Resolution Revenue Bonds	\$98,390	33%	\$119,974	34%	\$111,519	32%	\$98,560	30%

Debt Service Coverage Ratio	2.4x	2.3x	2.5x	2.7x
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¹ 2026 - 2029 includes capitalized interest expense.

**THE AUTHORITY SCHEDULED DEBT SERVICE PAYMENTS (ACCRUAL BASIS)
OUTSTANDING (ISSUED) DEBT¹
(IN \$ THOUSANDS)**

Year	Principal	Interest	Total
2026	\$0	\$69,108	\$69,108
2027	\$0	\$69,108	\$69,108
2028	\$0	\$69,108	\$69,108
2029	\$3,889	\$69,108	\$72,996

PROPOSED DEBT

Year	Principal	Interest	Total
2026	\$0	\$0	\$0
2027	\$0	\$2,316	\$2,316
2028	\$0	\$18,128	\$18,128
2029	\$760	\$18,128	\$18,888

TOTAL DEBT

Year	Principal	Interest	Total
2026	\$0	\$69,108	\$69,108
2027	\$0	\$71,424	\$71,424
2028	\$0	\$87,236	\$87,236
2029	\$4,649	\$87,236	\$91,884

¹ 2026 – 2029 excludes capitalized interest expense.

**SFP SCHEDULED DEBT SERVICE PAYMENTS (ACCRUAL BASIS)
OUTSTANDING (ISSUED) DEBT¹**
(IN \$ THOUSANDS)

Year	Principal	Interest	Total
2026	\$36,768	\$61,623	\$98,390
2027	\$56,995	\$59,784	\$116,779
2028	\$54,585	\$56,935	\$111,519
2029	\$40,476	\$54,205	\$94,681

PROPOSED DEBT

Year	Principal	Interest	Total
2026	\$0	\$0	\$0
2027	\$0	\$3,194	\$3,194
2028	\$0	\$25,000	\$25,000
2029	\$2,282	\$26,597	\$28,879

TOTAL DEBT

Year	Principal	Interest	Total
2026	\$36,768	\$61,623	\$98,390
2027	\$56,995	\$62,979	\$119,974
2028	\$54,585	\$81,935	\$136,519
2029	\$42,758	\$80,803	\$123,560

¹ 2026 - 2029 excludes capitalized interest expense.

THE AUTHORITY PLANNED USE OF DEBT ISSUANCES (IN \$ MILLIONS)

	Amount	Interest Rate	Project / Description
Period January 1, 2026 – December 31, 2026			
Tax Exempt Commercial Paper	\$0	0%	
Taxable Commercial Paper	\$0	0%	
Tax Exempt Revenue Bonds	\$0	0%	
Taxable Revenue Bonds	\$0	0%	
Total Issued 2026	\$0		
Period January 1, 2027 – December 31, 2027			
Tax Exempt Commercial Paper	\$0	0%	
Taxable Commercial Paper	\$0	0%	
Tax Exempt Revenue Bonds	\$300	5%	Transmission, Enterprise
Taxable Revenue Bonds	\$50	5%	Robert Moses Power Plant
Total Issued 2027	\$350		
Period January 1, 2028 – December 31, 2028			
Tax Exempt Commercial Paper	\$0	0%	
Taxable Commercial Paper	\$0	0%	
Tax-Exempt Revenue Bonds	\$0	0%	
Taxable Revenue Bonds	\$0	0%	
Total Issued 2028	\$0		
Period January 1, 2029 – December 31, 2029			
Tax Exempt Commercial Paper	\$0	0%	
Taxable Commercial Paper	\$0	0%	
Tax-Exempt Revenue Bonds	\$0	0%	
Taxable Revenue Bonds	\$0	0%	
Total Issued 2029	\$0		

SFP PLANNED USE OF DEBT ISSUANCES¹

(IN \$ MILLIONS)

	Amount	Interest Rate	Project / Description
Period January 1, 2026 – December 31, 2026			
Tax Exempt Commercial Paper	\$0	0%	
Taxable Commercial Paper	\$0	0%	
Tax Exempt Revenue Bonds	\$0	0%	
Taxable Revenue Bonds	\$0	0%	
Total Issued 2026	\$0		
Period January 1, 2027 – December 31, 2027			
Tax Exempt Commercial Paper	\$0	0%	
Taxable Commercial Paper	\$0	0%	
Tax Exempt Revenue Bonds	\$500	5%	Propel New York
Taxable Revenue Bonds	\$0	0%	
Total Issued 2027	\$500		
Period January 1, 2028 – December 31, 2028			
Tax Exempt Commercial Paper	\$0	0%	
Taxable Commercial Paper	\$0	0%	
Tax-Exempt Revenue Bonds	\$0	0%	
Taxable Revenue Bonds	\$0	0%	
Total Issued 2028	\$0		
Period January 1, 2029 – December 31, 2029			
Tax Exempt Commercial Paper	\$0	0%	
Taxable Commercial Paper	\$0	0%	
Tax-Exempt Revenue Bonds	\$250	5%	Uniondale Hub Substation
Taxable Revenue Bonds	\$0	0%	
Total Issued 2029	\$250		

¹Note: The full faith and credit of the Authority are pledged for the payment of bonds and notes in accordance with their terms and provisions of their respective resolutions. The Authority has no taxing power, and its obligations are not debts of the State or any political subdivision of the State other than the Authority. The Authority's debt does not constitute a pledge of the faith and credit of the State or of any political subdivision thereof, other than the Authority.

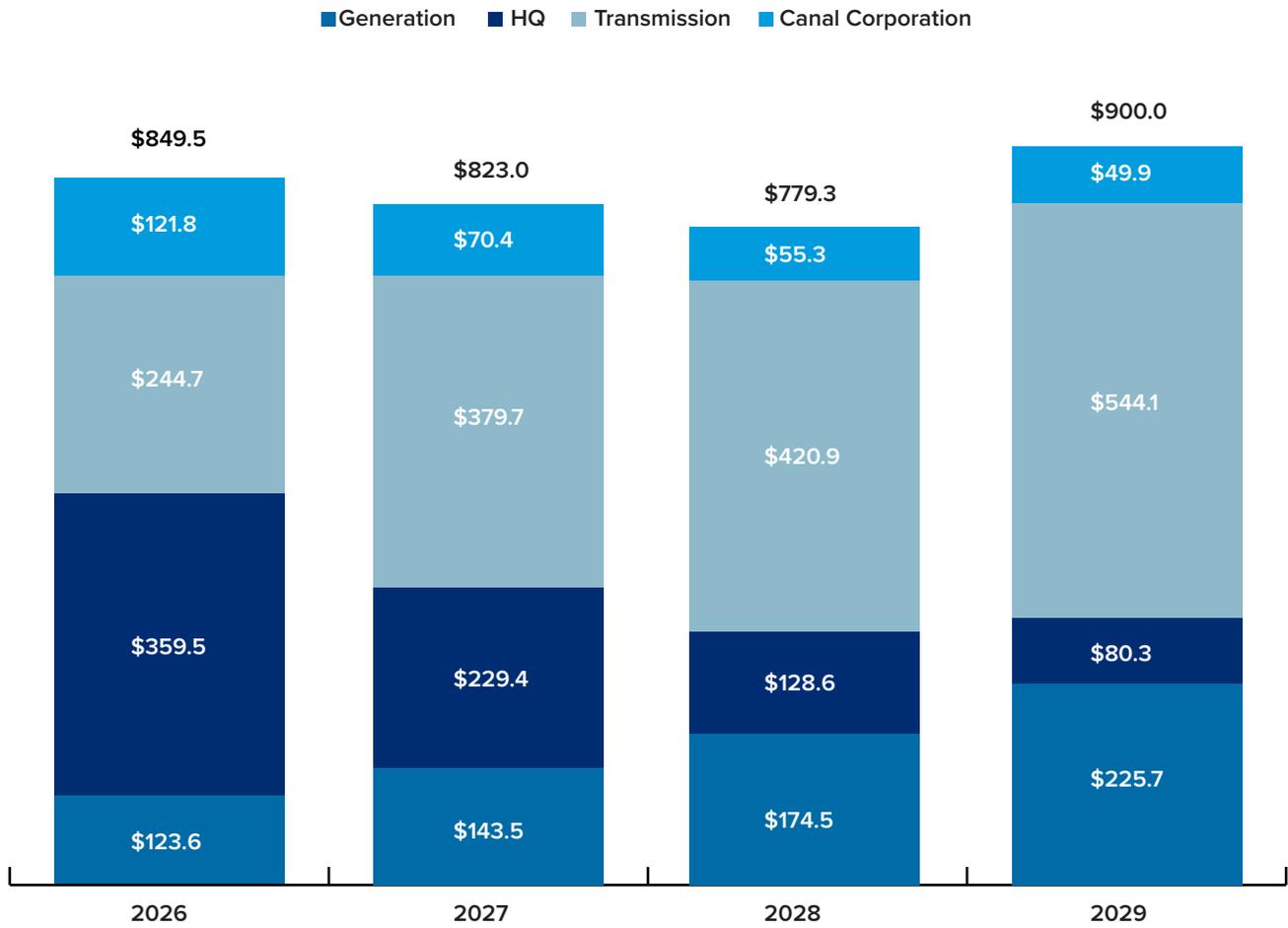
m. CAPITAL COMMITMENTS AND SOURCES OF FUNDING

The Authority's commitments for various capital improvements are approximately \$3.4 billion over the financial period 2026 - 2029. The Authority anticipates these improvements will be funded with existing construction funds, internally generated funds and additional borrowings. Canal Corporation capital investments are contingent on additional funding opportunities through state and federal programs. Additionally, the Authority projects to spend approximately \$1.3 billion on Energy Efficiency Services projects for its customers, which will be separately financed. NYREDHC projects to invest \$1.2 billion over the upcoming four-year period, of which NYPA is expected to contribute a total of \$200 million of equity in 2026 and 2027. The NYREDHC capital program and associated projects will be financed through non-recourse project-level financing using tax-exempt financing to the maximum amount allowed, where applicable. Projected capital commitments during this period include those listed in the table below:

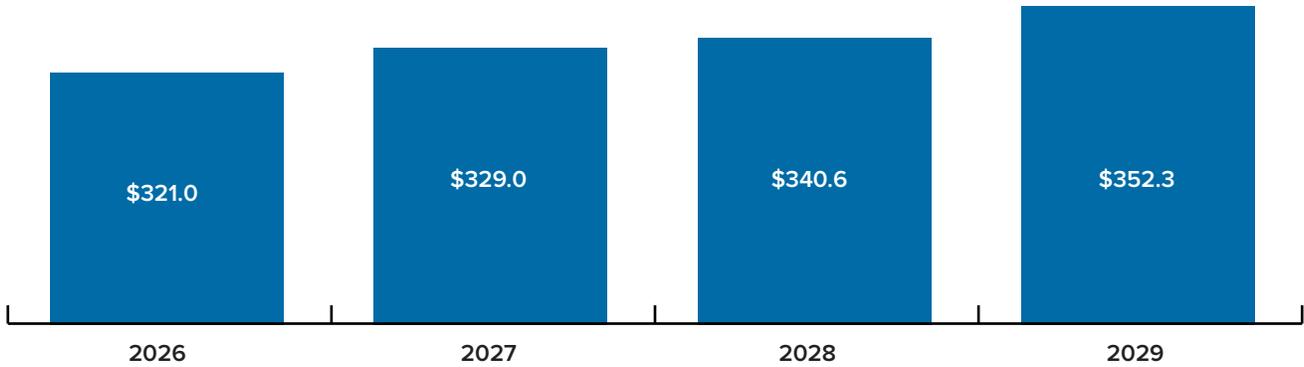
2026 - 2029 CAPITAL COMMITMENTS BY FUNCTION (IN \$ MILLIONS)

	2026	2027	2028	2029
Generation				
NextGeneration Niagara	\$32.9	\$6.8	\$6.8	\$20.9
Robert Moses Superstructure Bridge Replacement	1.6	1.3	13.9	50.8
St. Lawrence 90 and 300 Ton Crane Replacements	4.5	20.5	14.7	24.8
Long Sault Dam Capital Program	0.6	17.9	17.9	17.9
NYPA/Ontario Power Generation Regulatory Asset Program	9.8	12.6	13.3	10.5
Joint Works Massena Canal Dam	9.2	12.6	12.6	0.5
Niagara End of Life Runner Replacement Program	0.0	2.2	10.1	10.1
Blenheim-Gilboa Visitor Center Upgrade	3.8	10.5	5.5	0.3
Robert Moses Cooling Water System Upgrades	1.7	10.3	4.3	0.0
Other Generation	59.5	48.7	75.3	90.0
Transmission				
Transmission Business Development	5.2	60.0	140.0	325.0
Propel NY Energy	56.5	114.2	114.0	113.9
Uniondale Hub Substation Upgrade	70.4	65.6	76.6	54.6
Transmission Life Extension and Modernization ("T-LEM")	28.6	31.5	35.5	4.5
Smart Path Connect	30.5	28.4	0.0	0.0
Clark Energy Center 1A 765kV Autotransformer	5.1	15.2	5.7	0.0
Fraser to Utica Communications Connect	0.5	17.4	0.0	0.0
Critical Capital Spares Program	0.3	1.7	3.4	10.1
St. Lawrence 13.8kV Switchgear & Relay Replacement	2.2	5.8	5.4	0.5
Other Transmission	45.5	39.9	40.3	35.4
Enterprise Investments				
White Plains Office Building Facilities	139.0	59.0	0.0	0.0
Digitalization & Technology Platforms	128.7	27.9	17.7	4.0
Asset Management & Resilience	29.3	76.7	44.4	24.2
Information Technology Programs	37.7	39.2	40.9	42.7
Serve Customers & Decarbonize NYS	24.8	26.7	25.6	9.4
Revitalize the New York State Canal System				
Revitalize the New York State Canal System	121.8	70.4	55.3	49.9
Total NYPA and Canal Corporation	\$849.5	\$823.0	\$779.3	\$900.0
Energy Efficiency Services	\$321.0	\$329.2	\$340.6	\$352.3
New York Renewable Energy Development Holdings Company	\$236.3	\$425.8	\$414.3	\$90.6

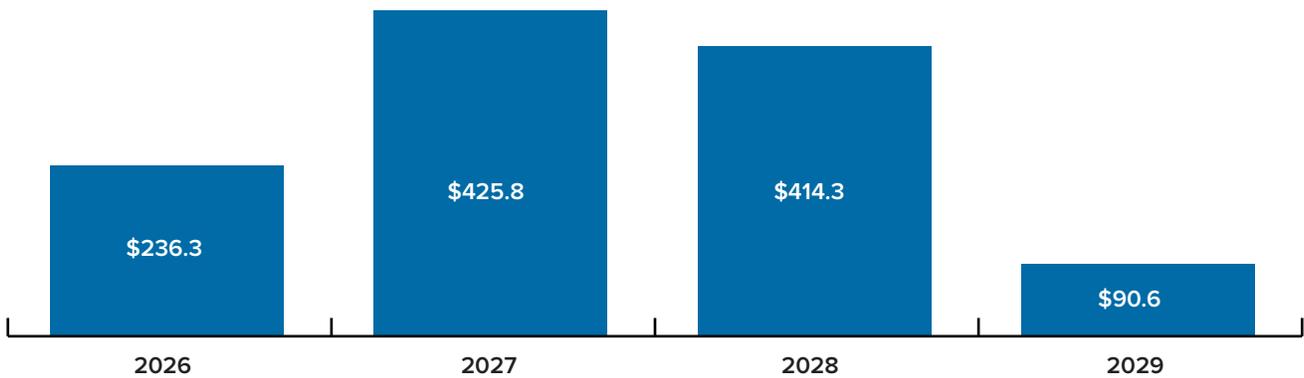
2026 - 2029 CAPITAL COMMITMENTS BY FUNCTION (IN \$ MILLIONS)



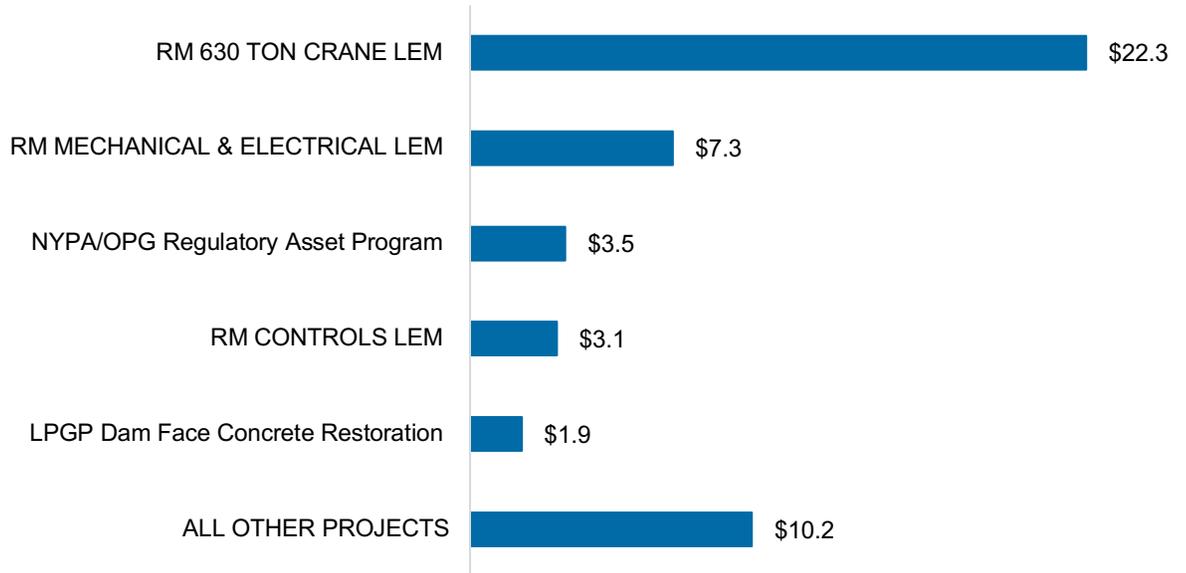
2026 - 2029 ENERGY EFFICIENCY SERVICES CAPITAL COMMITMENTS (IN \$ MILLIONS)



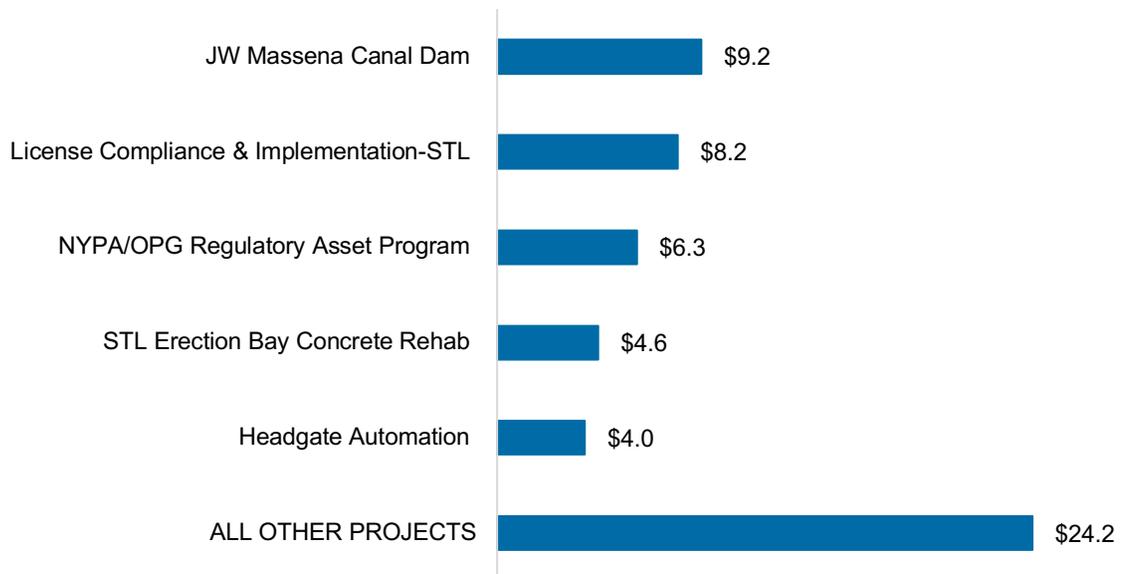
2026 - 2029 NEW YORK RENEWABLE ENERGY DEVELOPMENT HOLDING COMPANY CAPITAL COMMITMENTS (IN \$ MILLIONS)



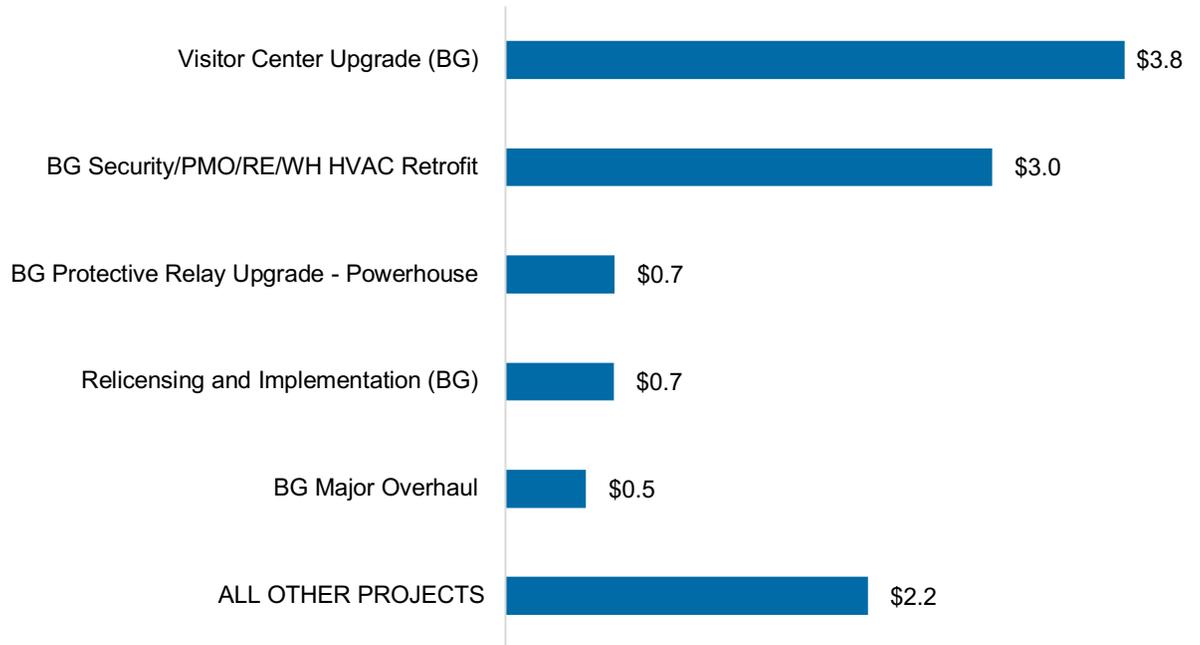
NIAGARA CAPITAL PROJECTS: \$48.3M



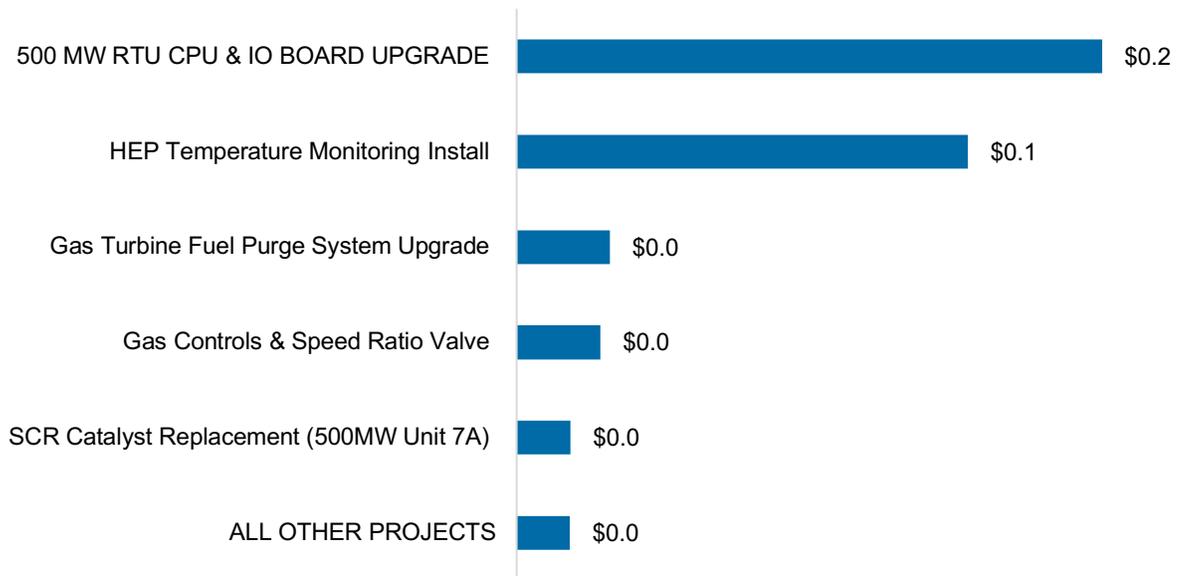
ST. LAWRENCE CAPITAL PROJECTS: \$56.4M



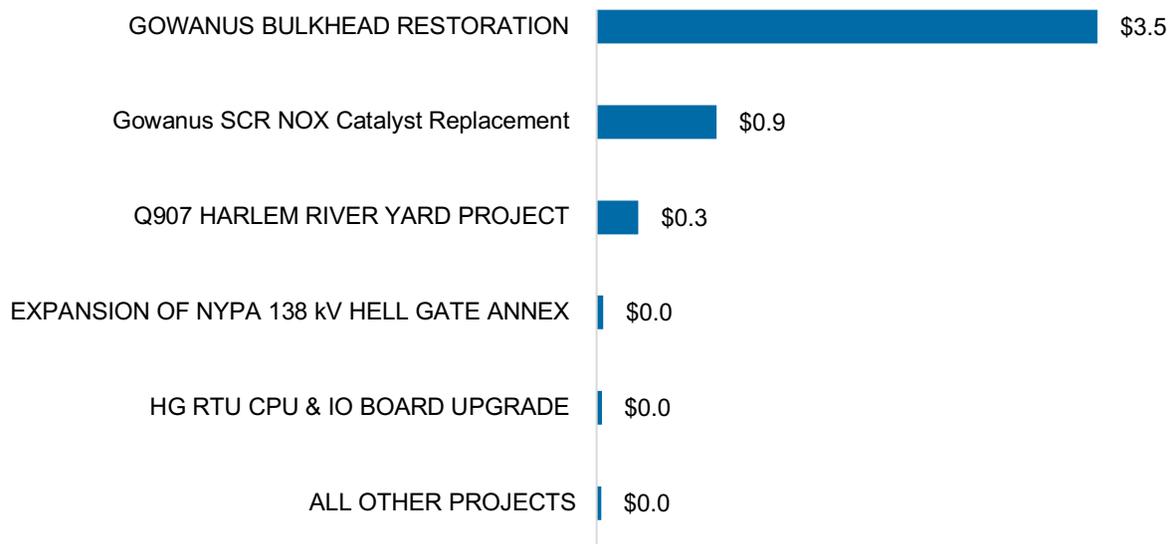
BLenheim-GILBOA CAPITAL PROJECTS: \$10.8M



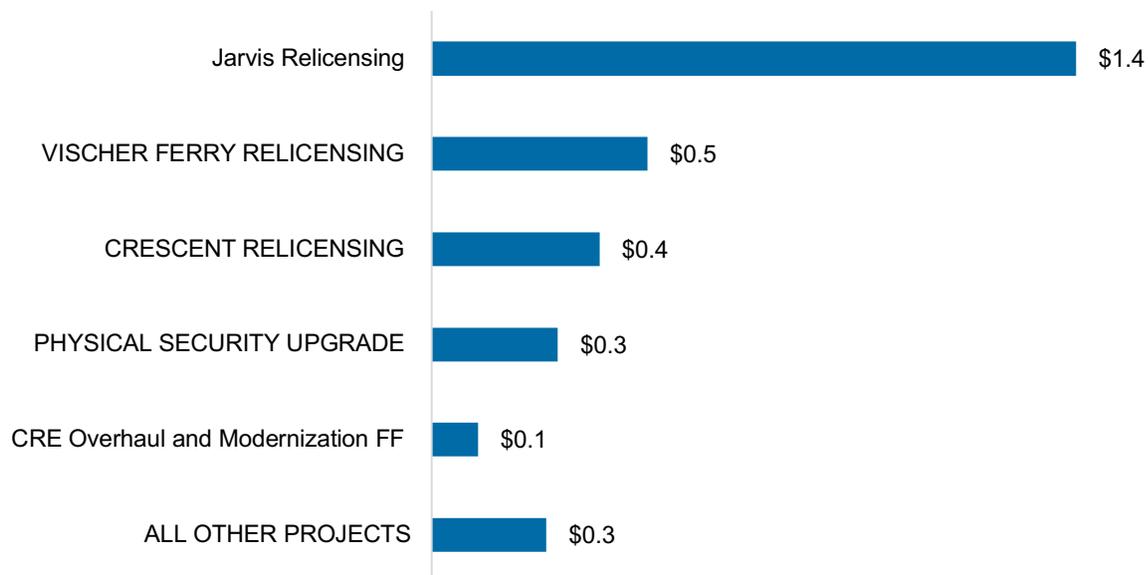
ZELTMANN CAPITAL PROJECTS: \$0.4M



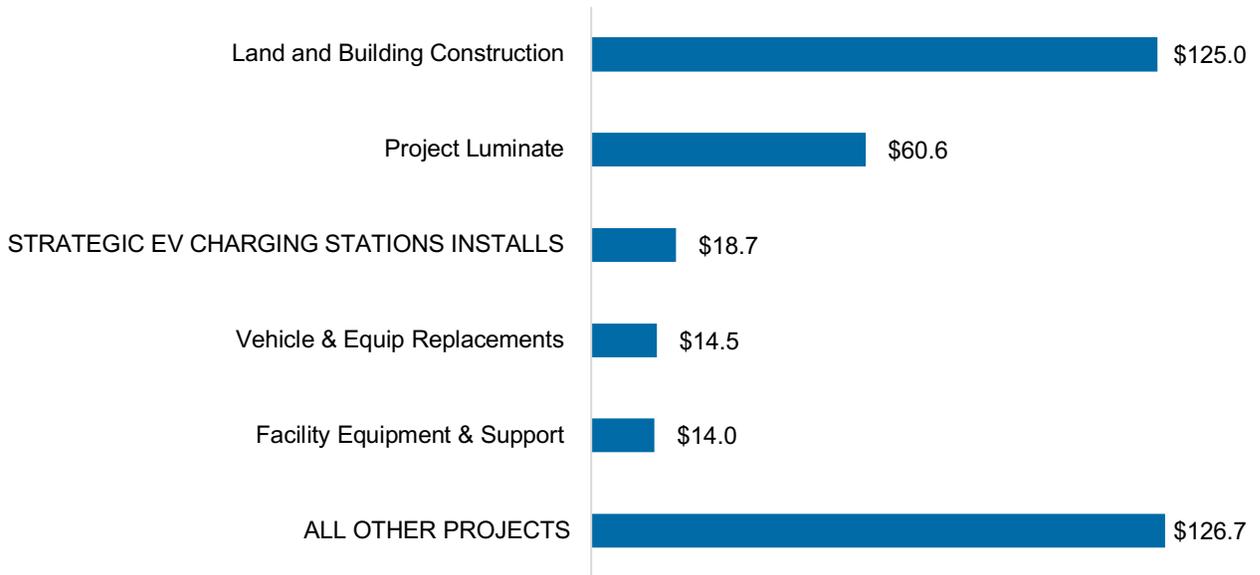
SNGPP CAPITAL PROJECTS: \$4.8M



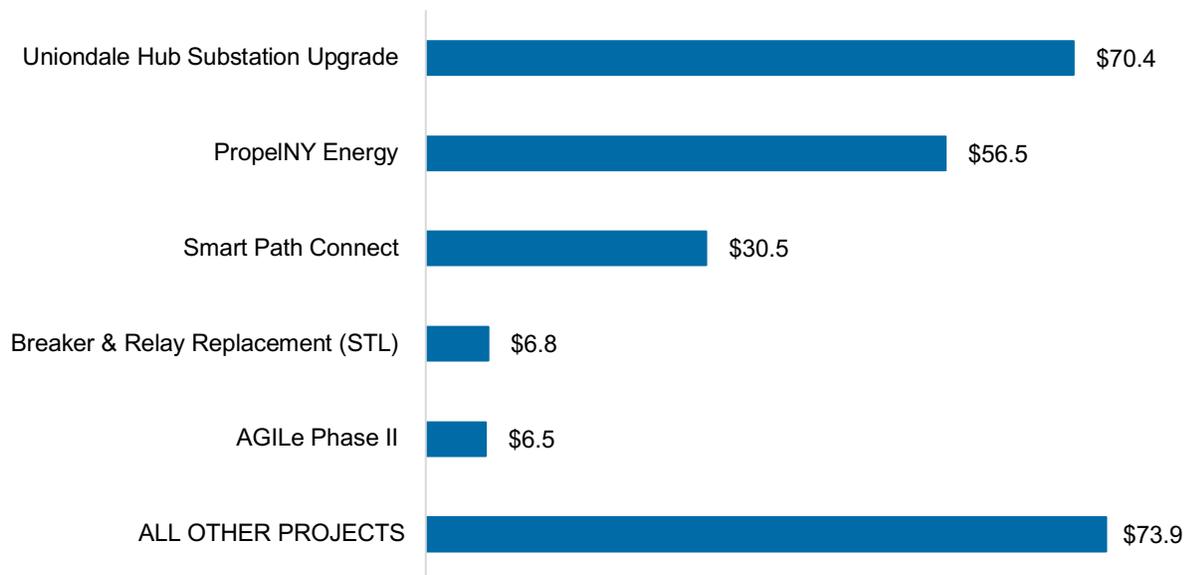
SMALL HYDRO CAPITAL PROJECTS: \$2.9M



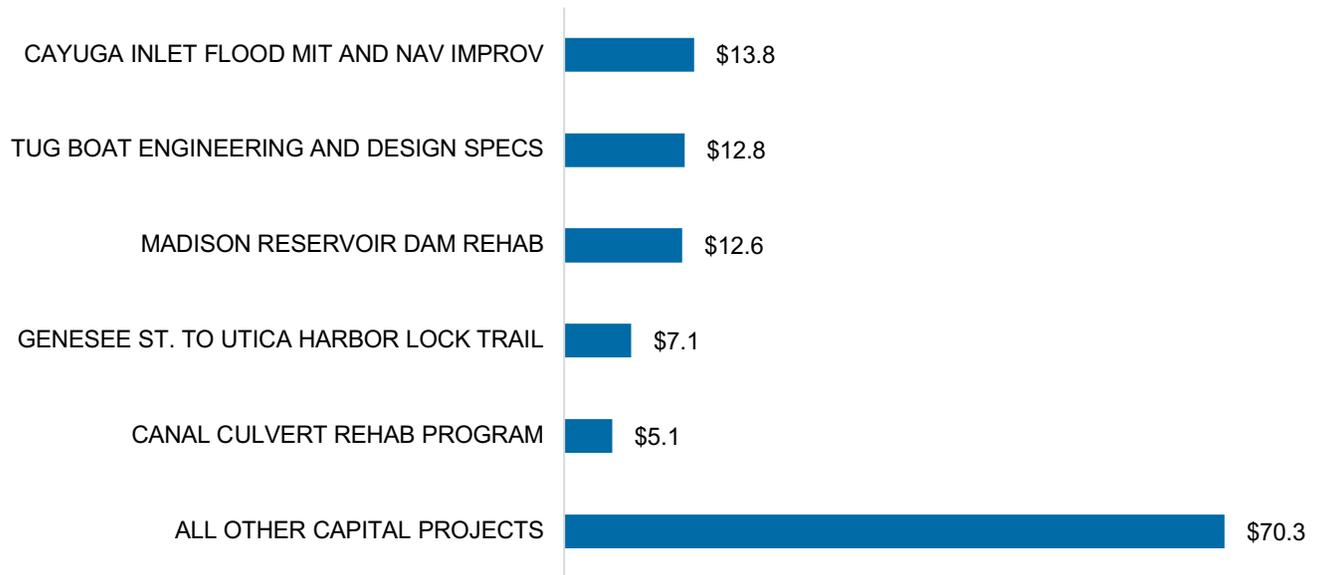
ENTERPRISE INVESTMENTS CAPITAL PROJECTS: \$359.5M



TRANSMISSION CAPITAL PROJECTS: \$244.7M



REVITALIZE THE CANALS CAPITAL PROJECTS: \$121.8M



n. CREDIT AGENCY RATING DISCUSSION

Maintaining a strong relationship with the capital markets is central to NYPA's operations. In 2025, Fitch Ratings and Kroll Bond Rating Agency ("KBRA") affirmed the Authority's General Bonds Resolution long-term rating of 'AA' and 'AA+', respectively, both with stable outlooks. In 2024, Moody's Investor Services ("Moody's") upgraded the General Bond Resolution long-term rating to 'Aa1' from 'Aa2' with a stable outlook. In 2024, S&P Global Ratings affirmed the Authority's General Bond Resolution 'AA' long-term rating with a stable outlook. These ratings are among the highest ratings awarded to U.S. public electric utilities, enabling the Authority to finance capital projects on favorable terms.

The Authority issues long-term bonds pursuant to the General Bond Resolution. That resolution applies to all NYPA's projects, defined broadly as any facility, system, equipment or material related to the generation, production, transportation, transmission, distribution, delivery, storage, conservation, purchase or use of energy or fuel (whether owned jointly or singly by NYPA). However, "Project" excludes any "Separately Financed Project" as that term is defined in the General Bond Resolution.

Under the covenants of the General Bond Resolution, the Authority agrees that it will at all times maintain rates, fees or charges – and structure its power sale, transmission or distribution contracts – so that (together with other moneys, including the anticipated proceeds of future obligations, but excluding any proceeds from the sale of any Project) its revenues will be sufficient, (i) to pay all Operating Expenses, (ii) to pay the debt service on all outstanding Obligations, Subordinated Indebtedness, Parity Debt and Subordinated Contract Obligations, as they become due; and (iii) to maintain any reserve required by the General Bond Resolution (in such amount as the Authority may determine).

Net revenues (i.e. after operating expenses, reserves for working capital, grants, and compliance) are applied first to interest, principal or redemption of Obligations issued under the General Bond Resolution and to Parity Debt issued under that Resolution.

The General Bond Resolution also allows, subject to Board of Trustees approval, withdrawals from the Operating Fund (in excess of amounts needed for operating expenses, debt service and subordinated obligations) for any lawful corporate purpose, including retirement of Obligations issued under the General Bond Resolution.

To support the Aa1/ AA/ AA/ AA+ bond ratings and all of the benefits they confer to NYPA and its customers, the Authority maintains certain benchmark targets consistent with peer-rated entities. In 2011, the Authority's Board of Trustees adopted a policy statement regarding voluntary contributions, transfers, or other payments to the State. The policy refers to a reference point (not a binding covenant) of maintaining a debt service coverage ratio of at least 2.0x in deciding whether to make such disbursements. The Board of Trustees retains discretionary authority to modify or eliminate that policy.

In 2022, the Authority adopted the Transmission Bond Resolution (a bond resolution distinct from the General Bond Resolution) to finance designated "SFP Transmission Projects" (i.e. projects that are "Separately Financed Project" under the General Bond Resolution and an "SFP Transmission Project" under the "Transmission Bond Resolution"). These are transmission/distribution projects (whether owned or leased) that the Authority has designated as subject to the separate financing framework.

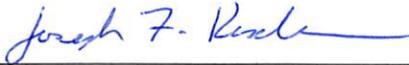
In 2025, Fitch Ratings and KBRA affirmed the 'AA-' and 'AA' underlying rating, respectively, to the Authority's SFP Transmission Project Revenue Bonds, both with stable outlooks. In 2024, Moody's upgraded the SFP Transmission Project Revenue Bonds to 'Aa3' from 'A1', with stable outlook. S&P does not assign an underlying rating on the SFP Transmission Project Revenue Bonds.

**Certification of Assumptions and Method of Estimation for
Approved 2026 Budget and 2026-2029 Financial Plan in accordance
with the Comptroller's Regulation § 203.9 Certification**

December 9, 2025

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

To the best of my knowledge and belief after reasonable inquiry, I, the undersigned, certify that the Approved 2026 Budget and 2026-2029 Financial Plan" is based on reasonable assumptions and methods of estimation and that the regulations enumerated in Part 203, "Budget and Financial Plan Format, Supporting Documentation and Monitoring - Public Authorities" have been satisfied.



Joseph Kessler
Chief Operating Officer



Adam Barsky
Chief Financial Officer



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