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STATE OF
OPPORTUNITY.

NY Power
Authority

Investor Presentation: *2021 Mid-Year Update*

August 2021



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Executive Summary

Summary Statement

- Strong credit metrics including about \$1.9 billion in liquidity, 35% debt to equity¹, and Days Cash on Hand of 253, as of July 1, 2021
- Robust liquidity includes committed revolvers of \$950 million, with undrawn capacity of about \$384 million (at July 1, 2021) which can be used for any corporate purpose
- Strong financial and risk management policies

Strong Asset Performance

- Well established utility with diverse generation, customers, and business lines
- Consistent business performance when adjusted for the COVID-19 impact during 2020
- Growing transmission business, including 2020 FERC regulated returns of 7.44% on invested capital and ~\$1.6 billion of budgeted investments for system wide upgrades over the next four years
- Maintenance of the gold standard for Asset Management with the ISO55001 certification (first in North America)

Capital Expenditures

- Continued the significant investment cycle despite COVID-19 effect with 82% of project construction with a focus on efficiency improvement of Transmission and Generation assets
- Major core investments with a keen focus on cash flow and return on investment which was accretive to credit metrics with the FCC² rising to 2.3x from 1.7x year over year

Corporate Finance

- Leverage Ratio³ remains consistent with historic levels at approximately 39%
- Well advanced pursuit of renewable project financing approach to minimize balance sheet impact and limit recourse and risk to NYPA, with regards to: (i) Energy Efficiency lending program, initial offering in 2021 (ii) Large Scale Renewables, and (iii) back-to-back customer Power Purchase Agreement solutions

2021 Outlook and Beyond

- Vision2030 outlines NYPA's strategic plan over the next 10-years with a focus on ESG and business resiliency in support of NYS energy infrastructure

¹Per the unaudited financial statements as of June 30, 2021

²Includes AEII; without AEII it was 10.6x for 2020 and 3.7x in 2019

³Excludes AEII



COVID-19 Response

- Thanks to our countermeasures and vigilance, our employee positivity rates remain extremely low and well below state averages.
- Our countermeasures have continued to help keep our people safe and operations uninterrupted.
- All Operations and customer projects have restarted and almost all NYPA's facilities are at a stage 1 or 0
- Monitoring conditions in near real-time with comprehensive testing, daily positivity rates tracking, rigorous contact tracing and enhanced safety protocols
- In 2020, NYPA has finished over 82% of planned projects and everything that was delayed is back on track
- Cost impact of the pandemic is approximately \$44 million (of which a portion may be eligible for FEMA reimbursement)

Stage	Triggers	Summary Countermeasure Strategy
0	<2.5% positivity	Maintain current readiness – 100% masks
1	2.5-5% positivity in a county/region	Increase vigilance and precautions – Twice daily health surveys, increased monitoring, prepare for closing visitor centers and outdoor recreational facilities
2	5-7.5% positivity in a county/region	Initiate ICS, start reducing office density – 50% of facilities admin staff remote, WPO at 25% capacity, suspend inter-regional travel, suspend elective projects
3	7.5-10% positivity OR 10-20% employees out	Start testing, admin staff 100% remote – Labor moves to 2 shifts with COVID-19 test weekly at operating facilities, suspend all priority 1 PMs, mobilize for sequestration
4	10-15% positivity OR 20-25% employees out OR 25% live in a moderately infected country/region	Move to essential work only, testing every rotation, mobilize for sequestration – Essential operations and security staff on 1-week crew rotations with COVID-19 testing, regulatory priority 2 and 3 maintenance work only, suspend all non-essential construction maintenance
5	15%+ positivity OR >25% employees out OR 30% live in heavily infected country/region	Sequestration – Sequester essential operating and security staff, 2-week crew rotation with COVID-19 testing



NYPA's Financings Have Provided Additional Liquidity^

Financing/Strategy	Description	Liquidity and Other Benefits
\$250mm Revolving Loan Facility	<ul style="list-style-type: none">Completed the renewal of the revolving line of credit with JP Morgan in April 2021	<ul style="list-style-type: none">\$250 million of added liquidity for NYPA corporate purposes (<i>in addition to \$700 million line of credit backing CP</i>)
Commercial Paper Program	<ul style="list-style-type: none">Expand authorized uses including any valid corporate purposesConsolidated the 4 series of CP into 1 to provide maximum flexibility	<ul style="list-style-type: none">Amended and restated the CP Resolution including right size the authorization to \$950 million
Refinancing of the 2011A Bonds	<ul style="list-style-type: none">Refunded the remaining ~\$63 million of 2011A in December 2020 with the issuance of CP	<ul style="list-style-type: none">Lower near-term debt service realizes ~\$3 million of savingsLegally defease the Bonds
Green and ESG Focus	<ul style="list-style-type: none">Inaugural Green Bond Issuance~\$792 million Certified Green by SustainalyticsLargest Public Power Green Bond to dateIn April 2021, the 1-year Green Bond compliance report was finalized	<ul style="list-style-type: none">Opens NYPA to the Green Bond investors and expands geographical diversityExpanding continued support of NY State's nation leading climate and green energy initiatives

^Contrary to a recent article in Politico, NYPA's Board did approve the Harbor Lights project for its customer, the Metropolitan Transportation Authority, and NYPA did have the ability to, and did in fact, issue securities during the period cited in the article. In addition, as noted in that same article, NYPA has been fully repaid for the Harbor Lights project from state infrastructure and capital funds.



New York State's commitment to decarbonization has fundamentally changed the energy landscape



Accelerated Renewable Energy Growth and Community Benefit Act

Office of Renewable Energy Siting

Establish a new state office which will consolidate, review, and ensure siting decisions are predictable, responsible, and take input from local communities

Clean Energy Resource Development incentives program

NYSERDA will work with state partners and local communities to rapidly advance "Build-Ready" projects to maximize economic development and resource protection

Host Communities Benefit program

NYSERDA will develop a Host Community Benefit program, a program to offer utility bill discounts for host communities, and administer a local intervenor fund

Grid planning / energy delivery constant relief

Prioritize the planning, investment, and responsible development of grid infrastructure, allowing renewable energy power to be delivered to where it is needed



Climate Leadership and Community Protection Act (CLCPA)

Clean electric grid of tomorrow

Solar, wind, and other renewables combined with energy storage to deliver affordable and reliable electricity over the next decade and beyond

Affordable and safe energy efficient homes and businesses

New cooling and heating technologies, such as electric heat pumps and thermostats, combined with energy efficiency will save New Yorkers energy and money

Clean, reliable transportation

Zero emission transportation options for families and neighborhoods, enabling New York to trade gridlock for fresh air and cleaner communities

A clean energy economy for everyone

Every community, trade, and region will have access to clean energy solutions and economic opportunities that a transition to a just and equitable energy system provides



CLCPA goals

100%

Zero-carbon electricity by 2040

70%

Renewable energy generation by 2030

40%

Reduction in GHG emissions by 2030

85%

Reduction in GHG emissions by 2050

9 GW

Offshore wind by 2035

6 GW

Distributed solar by 2025

3 GW

Energy storage by 2030

185^{TBTU}

Energy consumption savings by 2025

35%

Benefits to disadvantaged communities

NYPA VISION 2030

STRATEGIC PRIORITIES



Preserve and enhance the value of our hydropower assets as a core source of carbon-free power and of flexibility and resilience as the state's grid evolves



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



Pioneer the path to decarbonization by acting as a test-bed for innovation while ensuring reliability, resilience, and affordability of the state's energy grid



Partner with our customers and the state to meet their energy goals in alignment with CLCPA¹ by providing clean and affordable energy along with innovative customer solutions



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

FOUNDATIONAL PILLARS

Digitization



Environment, Social, and Governance



Diversity, Equity, and Inclusion



Enterprise Resilience



Resource Alignment



¹Climate Leadership and Community Protection Act



Executive Management Committee (Vision2030 Strategic Initiatives & Foundational Pillars)

Gil Quiniones

President and Chief Executive Officer

Adam Barsky

Chief Financial Officer



**Environmental, Social
& Governance**



**Enterprise
Resilience**



Yves Noel
Chief Strategy
Officer

Reimagine the Canals

Justin Driscoll

General Counsel &
Chief Legal Officer



**Environmental, Social
& Governance**

Joseph Kessler

Chief Operating Officer



Hydropower

Decarbonization



Sarah Salati
Chief Commercial Officer

Customers & State



Daniella Piper
RM Western NY & Chief
Transformation Officer

Kristine Pizzo

Chief Human Resources &
Administration Officer



Resource Alignment



**Diversity, Equity &
Inclusion**

Robert Piascik

Chief Information &
Technology Officer



Digitization

Philip Toia

President, NYPA
Development



Transmission



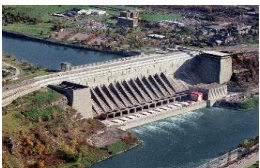
General Business Update



Transmission

- Achieved the gold standard ISO55001 award, an international award for the most rigorous asset management compliance standards
- Annual transmission revenue increased to \$279 million for the rate year July 2021 – June 2022, an increase of \$41 million from the previous rate year
- Projected capital investment expected to be about \$1.6 billion over the next four years
- Earn FERC regulated rate of return of 7.44%

Takeaway: Significant investment at an attractive ROI



Generation

- Maintain the gold standard ISO55001 award, an international award for the most rigorous asset management compliance standards
- Further investment in our assets with the approval of \$1.1 billion into our Niagara plant to modernize controls, refurbish and rehabilitate generators
- Additional capital investment in existing assets expected to be \$479.9 million over the next four years

Takeaway: Continue to responsibly maintain low cost, low carbon generation



Non-Utility

- Customer Energy Solutions is a comprehensive solution of design-bid-build energy project services, digital energy management, and demand response
- NYPA has worked on more than 2,400+ projects, saving customers \$250+ and improving energy resiliency
- Capital expenditures projected to be \$1.3 billion over the next four years; anticipated to be largely financed by customers or through off-credit/balance sheet financings
- Business adds societal value
- Anticipate closing an off-balance sheet transaction 3Q/4Q 2021 to allow continued support of this important NY State initiative

Takeaway: Continued support of this NY State initiative while minimizing impacts to NYPA's balance sheet



Canal Corporation

- Reimagine the New York Canal System for the economic and recreational benefit of New Yorkers while driving operational efficiency

Takeaway: Manageable capital spending; investing \$300 million incrementally over the next five years to reduce annual O&M Expense with limited risk



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Reimagine the Canals has been developed with five high-level goals



High water levels that contribute to floods can be **reduced**, and water needed to preserve maritime recreation can be **managed** to minimize flooding and eliminate ice jams entirely.



Surplus canal infrastructure and land can be **adaptively reused** to improve quality of life in communities bordering the waterway.



The waterway can be **managed to restore** the natural environment for people and wildlife, rebalancing a highly compromised ecosystem.



Water no longer needed to handle large ships can be used to **support** agriculture, water-based tourism and new forms of outdoor recreation for canal-side communities.



Opportunities can be identified to drive **operational improvement** and reduce ongoing operations and maintenance costs and **generate revenue.** 9



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ESG

Environmental | Social | Governance

NYPA plays a pivotal role in achieving the state's bold sustainability agenda and have aligned our ambitions to New York's Climate Leadership and Community Protection Act.



A Bring best-in-class ESG ambitions to life and **fully integrate ESG into NYPA's DNA** by evaluating our ESG model and transforming leadership practices

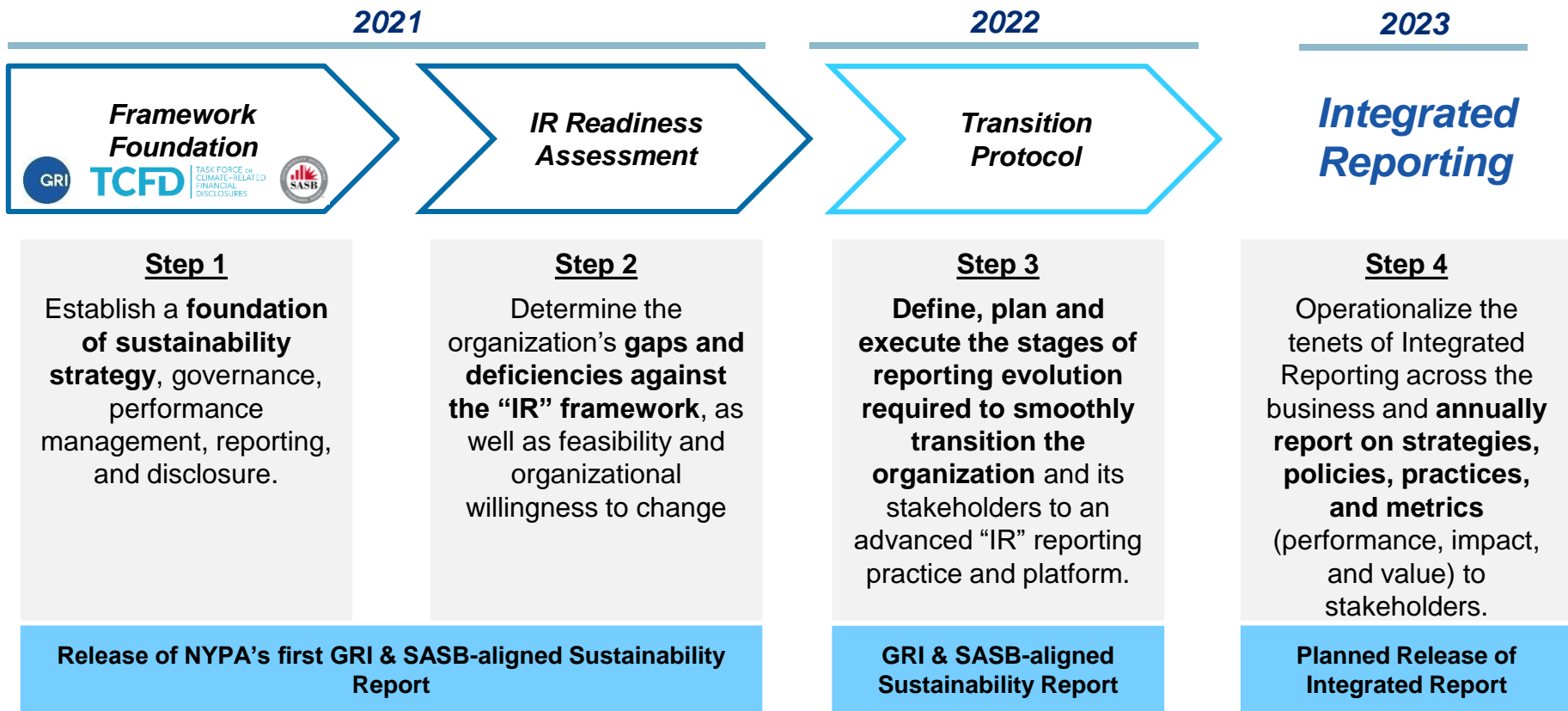


B Expand the sustainability function to **encompass strategic guidance, oversight, and reporting for identified material ESG issues** – integrating leading practices and providing cohesive direction across the enterprise



C Demonstrate our commitment to ESG over the long-term by **issuing a sustainability plan and annual sustainability reports**, developed in accordance with leading frameworks

NYPA's Aims to Issue an Industry-Leading Integrated Report ("IR") in 2023

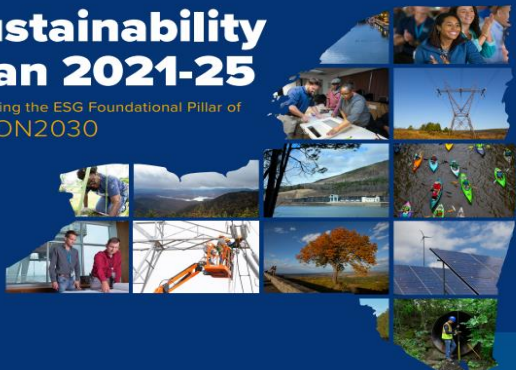




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Sustainability Plan 2021-25

Advancing the ESG Foundational Pillar of
VISION2030



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**Canal
Corporation**

2021- 2025 Sustainability Plan

Assessment performed in accordance
with Global Reporting Initiative (GRI)
Reporting Standards

15 Focus Areas

Environmental

1. Climate Change and GHG Emissions
2. Renewable Energy & Energy Storage
3. Energy Reliability
4. Energy Efficiency and Electrification
5. Environmental Stewardship

Social

6. Health & Safety
7. Employee Development
8. Diversity Equity & Inclusion
9. Community Engagement
10. Access & Affordability
11. Economic Development

Governance

12. Enterprise Risk & Resilience
13. Regulatory Management & Compliance
14. Cyber & Physical Security
15. Supply Chain & Procurement Practices



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Sustainability Report

- First detailing ESG progress against the 2021 – 2025 Sustainability Plan
- First year referencing the Global Reporting Initiative (GRI) Standards

ENVIRONMENTAL

\$1.2 BILLION
issued in long-term
bonds—including
nearly **\$800 million**
in Green Bonds—
for planned capital
projects



Advanced construction of 33 MW of distributed solar, planned to become operational in 2021

>80% of the electricity NYPA produces is clean renewable hydropower



Established target to achieve zero carbon electricity generation by 2035, five years ahead of the CLCPA target

Began construction on a transmission project to supply **900 MW** of renewable energy

SOCIAL

400,000+
jobs created or retained in New York State through **economic development programs**



Helped customers save a total of **212,196 MWh** in electricity through **energy efficiency measures** (2018-2020)



Reduction in DART rate at NYPA sites between 2018 and 2020

Introduced our **TEN-POINT DIVERSITY, EQUITY AND INCLUSION PLAN**



Awarded the **Forbes Best Mid-Size Employer** distinction in 2018, 2019 and 2021



Launched the \$300 million **Reimagine the Canals** initiative to adaptively repurpose the New York Canal System

GOVERNANCE

Announced a new collaboration to establish a first-of-its-kind **CYBERSECURITY CENTER FOR EXCELLENCE**

Deployed an **Enterprise Governance, Risk and Compliance System**, offering ongoing risk monitoring capabilities



The majority of our spend was with **New York State** suppliers



NYPA's Embedded Risk Management Culture

Robust Enterprise-Wide Governance

- **Experienced and Engaged Board of Trustees** – Sets the tone at the top for risk management culture
 - Reconstituted “Finance Committee” to be “Finance and Risk Committee”
- **Executive Risk Management Committee** – Oversees enterprise risk management processes
- **Enterprise-Wide Risk Policy** – Management of relevant risks that impacts strategic and/or corporate goals

Cyber Security

- **BitSight Technologies ranked NYPA in the top 10% of utilities**
 - Scored 780 based on external scans of the IT environment
- **Board Established Separate Subcommittee for Cyber Security**
- **Dedicated Chief Information Security Officer & Cyber Team**
 - Focused on existing and emerging cyber issues
- **Established Governance & Continuous Improvement Model**
 - Fully integrated into everyday operations, ensuring actionable security standards and training

Strong Asset Management Standards

- **ISO 550001 Certified** – The international gold standard in asset management compliance standards and the *1st Electric Utility in North American to receive this distinguished award*
 - Successfully passed the annual surveillance audit amid the pandemic; a testament to the rigor of asset management
- **Asset Management Board Membership** – Risk Management has a seat on the Asset Management Board to provide key insights

Price Risk, Credit and Liability Management

- **Commodity Risk Management Analytics Solution** – Integrated platforms monitoring market exposures
 - Active volumetric hedging program to reduce exposure in energy markets, capacity, and metals
- **Manage Counterparty Portfolio** – Commercial Operations team monitors credit exposure and manages collateral to protect trading positions
- **Post 2020 year-end OPEB Merger** – Proactive liability management by merging NYPA and Canals
 - Greatly reduces an underfunded liability



Year-To-Date Actuals* through June 30, 2021

In \$ Thousands	2021 Budget (\$)	2021 Current (\$)	Variance (\$)	
Net Operating Income				
Operating Revenue				
Customer Revenue	\$880,176	\$846,750	(\$33,426)	<div>Margins - Generation (\$6,112)</div> <div>Margins - Transmission 10,532</div> <div>Margins - Non Utility (3,188)</div>
Market-Based Power Sales	213,984	227,235	13,250	
Non Utility Revenue	12,520	12,498	(22)	
Ancillary Service Revenue	13,434	16,828	3,394	
NTAC and Other	123,651	132,802	9,151	
Operating Revenue Total	1,243,766	1,236,113	(7,653)	
Operating Expense				
Purchase Power	(311,026)	(280,477)	30,549	<div>Operating Expenses 1,486</div>
Ancillary Service Expense	(31,216)	(26,873)	4,343	
Fuel Consumed	(60,534)	(81,228)	(20,694)	
Wheeling	(293,981)	(299,294)	(5,313)	
Operations & Maintenance	(288,503)	(272,218)	16,284	
Other Expense	(64,753)	(70,304)	(5,551)	
Allocation to Capital	30,633	21,386	(9,247)	
Operating Expense Total	(1,019,380)	(1,009,008)	10,371	
EBIDA Total	224,386	227,105	2,719	2,719
EBIDA NYPA	266,952	269,760	2,808	
EBIDA Canals	(42,566)	(42,655)	(90)	
Non Operating				
Interest and Other Expenses				
Interest & Other Expenses	(65,023)	(62,498)	2,524	<div>Non-Operating Net (1,126)</div>
Investment and Other Income	10,183	9,226	(957)	
Mark to Market Adjustments	0	(591)	(591)	
Depreciation	(129,187)	(131,289)	(2,102)	
Interest and Other Expenses Total	(184,026)	(185,153)	(1,126)	
NET INCOME	\$40,360	\$41,952	\$1,593	\$1,593

*Unaudited financial results

EBIDA: Earnings Before Interest Depreciation & Amortization

Margin View: Excludes revenues and expenses related to Y-49 / Long Island Sound cable fault

NYPA's Financing Policy

NYPA's financing policy supports our AA credit profile and allocates capital efficiently given the return-risk profile of underlying investments

