

RATING ACTION COMMENTARY

Fitch Rates NYPA Transmission Project Revenue Bonds 'AA-'; Outlook Stable

Fri 18 Mar, 2022 - 4:26 PM ET

Fitch Ratings - New York - 18 Mar 2022: Fitch Ratings has assigned a 'AA-' rating to the following New York Power Authority (NYPA or the authority) obligations:

--Approximately \$569.2 million green SFP transmission project revenue bonds, series 2022A.

The Rating Outlook is Stable

New Issue Details

The series 2022A bonds are expected to price during the week of April 4, 2022. Proceeds will be used to fund capex related to transmission projects, including reimbursement for prior capital spending, to fund required reserves, and to pay capitalized interest and the costs of issuance.

ANALYTICAL CONCLUSION

The 'AA-' rating on the transmission project revenue bonds reflects the limited security pledge supporting the bonds and the credit quality of NYPA's newly created separately financed transmission project (SFTP or the Project). The SFTP will finance certain transmission assets separate from those funded pursuant to NYPA's general bond resolution.

The credit quality of the SFTP is expected to be very strong. While the Project's leverage ratio, measured as net adjusted debt to adjusted funds available for debt service, is expected to exceed 14x through 2023 as the SFTP invests in transmission assets, ratios should trend below 10x thereafter as the collection of transmission charges grow.

Moreover, the SFTP will benefit from very strong revenue defensibility and very low operating risk. Revenue defensibility is supported by resolution requirements that all costs related to transmission investments by the Project must be eligible for recovery pursuant to regulatory-approved tariffs. Operating costs related to transmission services are expected to remain relatively stable and a very small portion of customer electric charges. All of the SFTP transmission lines will operate within New York, under the oversight of the New York Independent System Operator's (NYISO). Transmission charges will be collected from a very broad customer base encompassing approximately 20 million electric users across the state, supporting Fitch's assessments of both purchaser credit quality and revenue defensibility.

The SFTP's obligations are payable solely from revenues and income derived from the Project's assets and investments. Revenues generated by NYPA's general resolution and other operations, including other transmission investments, are not available to pay debt service on the series 2022A bonds, limiting overall support from the authority. Additional provisions that preclude any cross-default with NYPA's general resolution and allow for the commingling of authority funds, as well as expectations that excess project cash flows will be returned to the authority's general operations are also factored in the rating.

CREDIT PROFILE

NYPA is a political subdivision of the State of New York (LT IDR 'AA+' /Stable Outlook) operating with the fundamental mission to support economic growth throughout New York State by providing low-cost, clean power and innovative energy infrastructure. In its capacity, the authority provides wholesale power supply and transmission to customers including

municipal, rural electric and investor-owned utilities, direct industrial users, public corporations, and several out-of-state utilities. NYPA is the nation's largest nonfederal electric utility with 16 generating facilities, and a transmission-owning member of NYISO with more than 1,400 miles of transmission lines.

NYPA has publicly noted its goal to become the leading transmission provider in New York State as a key strategic objective. Operating and financing new assets through the SFTP is expected to help achieve this objective and facilitate NYPA's commitment to supporting the state's renewable energy and carbon-free energy goals.

The SFTP transmission investments will be financed and accounted for separately from NYPA's existing general operations, and project obligations will be repayable solely from revenues generated by these new transmission assets. The SFTP's initial investment involves two undertakings: (i) development of the Central East Energy Connect (CEEC) project, which will increase transmission capacity from central to eastern New York, and (ii) the Smart Path Reliability Transmission (Smart Path) project, a rebuild of a portion of NYPA's Moses-Adirondack 1 & 2 line in northern New York. The CEEC project is being developed with LS Power Grid New York, the majority owner (62.5%) and primary construction manager. The authority will be responsible for line operations and maintenance.

The SFTP's initial investment is estimated at \$700 million, and will be funded with the proceeds of the series 2022 A bonds and a \$74 million investment from NYPA's existing resources.

Revenues attributable to NYPA's other assets (including existing transmission assets) and pledged pursuant to its general bond resolution are not available to meet the SFTP's obligations. By creating the SFTP, NYPA expects to aggressively debt finance its growing, and comparatively lower risk, transmission operations while preserving the credit quality of the authority's outstanding general resolution obligations. Cash flow generated by the SFTP in excess of operating expenses and debt service is available to be transferred to NYPA's general operations subject to rate covenant restrictions and reserve requirements.

KEY RATING DRIVERS

Revenue Defensibility: 'aa'

Very Strong Cost Recovery Framework

The SFTP's revenue defensibility is very strong and reflects the sound regulatory framework for transmission owners operating in the NYISO, including full and timely cost recovery pursuant to FERC-approved tariffs. The ability of the state's utilities, and in turn NYISO, to collect transmission charges from electric ratepayers across the state sufficient to meet obligations supports both purchaser credit quality, and revenue defensibility overall. Risks related to project completion and potential cost overruns are also manageable given the FERC-approved framework.

Operating Risk: 'aa'

Very Low Costs; Very Low Technology Risk

The project's operating risk assessment is very low. Costs related to transmission remain a very small component of retail energy costs in New York State, despite the trend of increasing transmission investments to support clean energy initiatives.

Financial Profile: 'aa'

Stabilizing Leverage, Adequate Liquidity Support Financial Profile

The project's financial profile is assessed as very strong based on pro forma financial projections that consider a number of stress scenarios. Overall, leverage ratios are expected to stabilize between 8x and 11x as initial investments are completed and revenue requirements increase. Coverage of full obligations and debt service coverage ratios are expected to approximate 1.9x, supporting the Project's neutral liquidity profile. Planned reserves for capitalized interest and operating and maintenance, as well as a surety policy to meet a debt service reserve requirement will provide additional protection.

Asymmetric Additional Risk Considerations

No asymmetric risk considerations are factored in the rating.

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

--Sustained leverage below 7x in Fitch's base and stress case scenarios, factoring expectations for additional investment.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

--Sustained leverage above 11x in Fitch's base and stress case scenarios;

--Challenges related to project completion that jeopardize collection of projected transmission revenue or the incurrence of cost overruns deemed nonrecoverable pursuant to the project's regulatory approvals;

--Although unlikely, a fundamental change in FERC's approach to the regulation of transmission and authorized rates of return.

BEST/WORST CASE RATING SCENARIO

International scale credit ratings of Sovereigns, Public Finance and Infrastructure issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of three notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>.

SECURITY

The SFTP project revenue bonds will be payable solely from the net revenues or other income derived from the operation of the Project assets, and all funds and accounts established under the resolution. A debt service reserve fund requirement equal to the lesser of 10% of the 2022A bonds proceeds, maximum annual debt service or 125% of average annual debt service is expected to be satisfied by a surety policy.

REVENUE DEFENSIBILITY

The SFTP's revenue source characteristics are very strong and largely supported by well-established and regulated cost recovery frameworks. Pursuant to the SFTP resolution, the costs of any investment financed through the project must be eligible for recovery as part of NYPA's annual transmission revenue requirement (ATTR) through either the NYPA Transmission Adjustment Charge (NTAC) or project-specific charges recovered under the authority's FERC-approved formula rate.

Costs related to the CEEC project will be recovered through the FERC-approved mechanisms in the ATTR. The ATTR is designed to ensure that NYPA recovers all of its costs of owning and maintaining its transmission facilities plus a rate of return, and is included as part of the NYISO's open access transmission tariff (OATT). Similarly, costs related to the Smart Path rebuild will be recoverable through the NYPA's NTAC, a separate NYISO mechanism for recovering certain of the authority's transmission costs. The NTAC mechanism is also included in the authority's ATTR and is part of the NYISO OATT.

The authority's transmission facilities are under the operational control of the NYISO, which is responsible for scheduling the use of the bulk transmission system in the state. NYISO is further responsible for collecting fees associated with the use of the transmission facilities and remitting those collections to the owners of the facilities, including NYPA, in accordance with the OATT. Wholesale users of the transmission system, in turn, collect the respective fees from a very broad and diverse customer base that includes roughly 20.2 million retail electric ratepayers across New York State.

NYISO's methods for calculating and collecting transmission fees support revenue defensibility. Charges are based on the system's annual revenue requirement and a forecasted volume of electricity, and collected as a volumetric charge from the roughly 400 NYISO market participants. Charges may be adjusted to the extent that electric flows are significantly less than forecasted, and any amounts that go unpaid by a market participant can be offset by posted collateral and/or ultimately collected by NYISO from the other market participants.

Risks related to construction, including cost overruns, have been managed well by NYPA to date and are partially mitigated by the cost recovery framework. Protections against construction risk typically include sizable contingency funds, contractor performance bonds, payment bonds and payment of liquidated damages. The CEEC and Smart Path projects are 36% and 64% complete, respectively, and both projects are on schedule and on budget. Although the two projects are not expected to be

fully placed into service until 2023, the FERC-approved rate methodologies allow for the collection of payments on construction work in progress, as well as certain incentives. Moreover, three of the six segments related to the Smart Path project have already been placed into service and are generating revenue being collected as part of the ATTR.

The potential for cost overruns related to the CECC project are a very limited concern as the current FERC-approved rate allows for full recovery of 80% of overruns at the same rate of return, and recovery of the remaining 20% with only a cost of debt return. Smart Path cost overruns that exceed 10% of the budgeted amount (including a 20% contingency) are recoverable subject to approval by 3/5 of the state's transmission owners; or if rejected by the owners with the approval of FERC.

Rate Flexibility

The SFTP's rate flexibility is assessed as strong. Although transmission rates and fees are subject to the FERC regulation, the approved mechanisms and framework for recovery support credit quality and does not constrain revenue defensibility. The methodology of the formula rate currently in place is well-established, has historically provided full cost recovery and incorporates a favorable rate of return that provides a supportive cash flow cushion.

NYPA recovers its ATTR from NYISO under a formula rate that the authority is responsible for updating each year. Updates to the ATTR are expected to cover any increases in operating and maintenance expenses, and to account for increased capital investments and new projects. The ATTR formula calculation is currently based on a debt to equity ratio of 50% and a rate on invested capital of 7.44%, which is expected to provide the authority and SFTP sufficient cash flow to comfortably cover operating expenses and debt service. The CECC project recovery includes an additional 50 basis point incentive return boosting cash flow further. Since the ATTR formula is based on estimates, revenues collected are subject to an annual true-up to reconcile revenue received with the actual requirement.

The SFTP has covenanted to maintain revenues sufficient to achieve a 1.2x debt service coverage ratio; however, the nature of the rate regulated framework limits the authority's ability to ensure coverage, and remedies available to bondholders in the event of a breach are weak. Positively, transfers of cash from the SFTP to NYPA's general bond resolution operating fund and the issuance of additional debt are subject to the coverage requirement.

Purchaser Credit Quality

Purchaser credit quality is assessed as strong, but is less of a consideration in the project's revenue defensibility assessment than revenue source characteristics due to the essential nature of transmission services, as well as NYISO's role in collecting and remitting transmission fees and its ability to reallocate unpaid charges across all market participants. NYISO is not publicly rated by Fitch, but reports financial metrics that are very strong. Long term debt outstanding is relatively modest at approximately \$95 million at Dec. 31, 2020, and financial leverage is very low. Liquidity is also very strong. NYISO reported 99 days of unrestricted cash (\$48.6 million) and total liquidity of 200 days (including \$50 million of availability under revolving credit facilities). NYPA's liquidity ratios do not include another \$322 million of restricted cash, representing market participant security deposits.

Revenue defensibility further reflects a Fitch-calculated purchaser credit index of 1.8, based upon the three largest NYISO market participants: Consolidated Edison Company of NY (BBB+/Negative); Long Island Power Authority (A/Positive) and NYPA (AA/Stable).

OPERATING RISK

Overall, the operating cost burden related to electric transmission is considered very low as costs represent a very small component of wholesale and retail electric costs. According to NYISO's, '2020 State of the Market Report,' approximately 70%-80% of the NYISO's average all-in wholesale cost of electricity was energy-related, with transmission representing less than 5% of the costs. Pro forma annual costs related to the SFTP's initial projects will approximate only \$8 million per annum.

Operating Cost Flexibility

The Project's operating cost flexibility is assessed as neutral. Operating costs are expected to be relatively stable and easily managed by NYPA. The authority currently owns 1,400 miles of transmission lines, or approximately 13% of the state's transmission facilities, and is viewed as an experienced and capable operator.

Capital Planning and Management

The SFTP's capital planning and management assessment factors the Project's plan for the initial investment, and expectations that new assets could be added and debt-funded subject to acceptable recovery frameworks and debt service coverage

requirements (1.2x). Future investments will likely be focused on construction of new transmission lines and the improvement and rehabilitation of existing lines. Projects are likely to address transmission deficiency as determined by the New York Public Service Commission or be required to facilitate renewable energy and carbon reduction targets.

New York State passed the Accelerated Renewable Energy Growth and Community Benefit Act (AREA) in April 2020, which seeks to accelerate siting and construction of large-scale clean energy projects across the state, including associated transmission. AREA authorized NYPA, in particular, to undertake the development of transmission investments needed to achieve the state's clean energy goals according to the state's Climate Leadership and Community Protection Act (CLCPA). The CLCPA state energy goals are aggressive and include targets of 70% renewable energy generation by 2030 and zero net carbon emissions by 2040. Renewable energy resources, including hydropower and nuclear, accounted for approximately 60% of in-state generation in 2020.

FINANCIAL PROFILE

The financial profile of the SFTP is assessed as 'aa' reflecting an expectation that leverage ratios will migrate to below 10x beginning in 2024 as planned investments are completed, lines are energized, and Project revenue requirements and collections grow. Fitch's scenario analysis is informed by management's pro forma analysis and reflects completion of the current initiatives on schedule and on budget. The analysis further assumes that all excess cash flow is transferred to NYPA's general operations at each year end.

The base case indicates that the Project's debt service and very modest operating expenses will be met with revenue collected from construction work in progress and assets already energized and operational, as well as with amounts (\$36 million) deposited in the capitalized interest fund at closing. Beginning in 2024 revenue requirements should stabilize at roughly \$80 million and produce FADS of \$75 million. Considering total debt (including unamortized premium) of \$644 million, leverage should trend below 9.0x.

Liquidity is expected to be neutral to the assessment. Debt service coverage ratios should approximate generating meaningful excess cash flow over the course of the year. The SFTP is required to maintain a separate operations and maintenance reserve fund equal to \$3.8 million, which will be available for all liquidity needs including the payment of debt service. Cash available after debt service is projected to be \$35 to \$40 million per annum.

Fitch has also considered stress scenarios that incorporate (i) a one-year delay in completion for each of the project's undertakings and (ii) total cost overruns of \$200 million that are deemed unrecoverable. The results of the delay stress scenario produce financial results that are generally in line with the base case given the flexibility of the FERC-approved recovery mechanisms. The results of the cost overrun scenario are moderately weaker and reflect the issuance of roughly \$222 million of additional debt. While this additional debt slows the anticipated improvement in leverage, ratios would still be expected to trend below 10x by 2025, in line with the current rating.

Debt Profile

The debt profile of the SFTP is neutral. The series 2022A bonds will be issued with a fixed rate, and principal will amortize steadily through 2061. Interest on the bonds will be capitalized into 2023 and paid using funds (\$36 million) reserved at closing.

ASYMMETRIC ADDITIONAL RISK CONSIDERATIONS

There are no asymmetric additional risk considerations factored in the rating.

Date of Relevant Committee

17 March 2022

Sources of Information

In addition to the sources of information identified in Fitch's applicable criteria specified below, this action was informed by information from Lumesis.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG CONSIDERATIONS

The SFTP has ESG Relevance Scores of '2' for Greenhouse Gas (GHG) Emissions and Air Quality, Energy Management, Water and Wastewater Management, and Water and Hazardous Materials Management. These scores vary from public power sector guidance of scores of '3' as transmission systems are not significantly exposed to the generation of GHG emissions, and have limited exposure to waste and hazardous materials from operations. While operating within the broader public power sector, transmission systems are not exposed to energy, fuel, or water use and consumption considerations.

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

RATING ACTIONS

ENTITY / DEBT ⚡		RATING ⚡	
<hr/>			
New York Power Authority (NY) [Transmission System]			
<hr/>			
New York Power Authority (NY) /Transmission Revenues/1 LT	LT	AA- Rating Outlook Stable	New Rating
<hr/>			

[VIEW ADDITIONAL RATING DETAILS](#)

FITCH RATINGS ANALYSTS

Dennis Pidherny
Managing Director
Primary Rating Analyst
+1 212 908 0738
dennis.pidherny@fitchratings.com

Fitch Ratings, Inc.

Hearst Tower 300 W. 57th Street New York, NY 10019

Andrew DeStefano

Director

Secondary Rating Analyst

+1 212 908 0284

andrew.destefano@fitchratings.com

Joanne Ferrigan

Senior Director

Committee Chairperson

+1 212 908 0723

joanne.ferrigan@fitchratings.com

MEDIA CONTACTS

Sandro Scenga

New York

+1 212 908 0278

sandro.scenga@thefitchgroup.com

Additional information is available on www.fitchratings.com

PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

[U.S. Public Power Rating Criteria \(pub. 09 Apr 2021\) \(including rating assumption sensitivity\)](#)

[Public Sector, Revenue-Supported Entities Rating Criteria \(pub. 01 Sep 2021\) \(including rating assumption sensitivity\)](#)

ADDITIONAL DISCLOSURES

[Dodd-Frank Rating Information Disclosure Form](#)

[Solicitation Status](#)

[Endorsement Policy](#)

ENDORSEMENT STATUS

New York Power Authority (NY)

EU Endorsed, UK Endorsed

DISCLAIMER

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK:

[HTTPS://WWW.FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://www.fitchratings.com/understandingcreditratings). IN ADDITION, THE FOLLOWING [HTTPS://WWW.FITCHRATINGS.COM/RATING-DEFINITIONS-DOCUMENT](https://www.fitchratings.com/rating-definitions-document) DETAILS FITCH'S RATING DEFINITIONS FOR EACH RATING SCALE AND RATING CATEGORIES, INCLUDING DEFINITIONS RELATING TO DEFAULT. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE.

DIRECTORS AND SHAREHOLDERS RELEVANT INTERESTS ARE AVAILABLE AT

[HTTPS://WWW.FITCHRATINGS.COM/SITE/REGULATORY](https://www.fitchratings.com/site/regulatory). FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE OR ANCILLARY SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF PERMISSIBLE SERVICE(S) FOR WHICH THE LEAD ANALYST IS BASED IN AN ESMA- OR FCA-REGISTERED FITCH RATINGS COMPANY (OR BRANCH OF SUCH A COMPANY) OR ANCILLARY SERVICE(S) CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH RATINGS WEBSITE.

COPYRIGHT

Copyright © 2022 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are

the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001

Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the “NRSRO”). While certain of the NRSRO’s credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the “non-NRSROs”) and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

SOLICITATION STATUS

The ratings above were solicited and assigned or maintained by Fitch at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

ENDORSEMENT POLICY

Fitch's international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU CRA Regulation or the UK Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019, as the case may be. Fitch's approach to endorsement in the EU and the UK can be found on Fitch's [Regulatory Affairs](#) page on Fitch's website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.

Utilities and Power US Public Finance North America United States
