JOINT MEETING OF
NEW YORK POWER AUTHORITY BOARD OF TRUSTEES
AND
NEW YORK STATE CANAL CORPORATION BOARD OF DIRECTORS

NYPA MEETING OF
BOARD OF DIRECTORS OF NEW YORK POWER AUTHORITY
CAPTIVE INSURANCE COMPANY BOARD

PROPOSED AGENDA

July 29, 2025 at 9:00a.m.

Board Members and NYPA Captive Board Members:

Chair John R. Koelmel, Dennis Trainor, Bethaida Gonzalez, Cecily Morris, Lewis Warren, Jr., Laurie Wheelock, Michael Cusick

1. Adoption of the July 29, 2025 Proposed Meeting Agenda

2. Motion to Conduct an Executive Session

3. Motion to Resume Meeting in Open Session

4. DISCUSSION AGENDA:

a. Strategic Initiatives

i. President and Chief Executive Officer's Report -- (Justin E. Driscoll)

b. Utility Operations

i. Chief Operating Officer's Report -- (Joseph Kessler)

1. Proposed Contract for the Sale of Preservation Power to Alcoa USA Corp. – Notice of Public Hearing – Resolution (Eric Bowers)

2. Robotics Program Value Contracts – Contract Award – Resolution (Peter Kalaitzidis)

c. Financial Operations

i. Chief Financial Officer's Report -- (Adam Barsky)

d. NYPA Development

i. Senior Vice President NYPA Development Report -- (Christopher Hutson)

e. Risk and Resiliency

i. Chief Risk and Resiliency Officer's Report -- (Alexis Harley)

f. Audit Committee Report – (Chair Trainor)

g. INFORMATIONAL ITEM: Workforce Development Update – (Sandra Bleckman)

5. CONSENT AGENDA:

a. Financial Operations

i. Selection of Firms to Provide Underwriting and Financial Services – Resolution (Adam Barsky)

b. Utility Operations

i. Critical Control Systems Support Services Recommendation for Award – Resolution (Frank Ronci)

ii. Crane Equipment Rental Services, with and without Operator – Contract Award –Resolution (Dave Mellen)

iii. Uniondale Hub Substation Upgrade – Approval to Execute Amended Development Agreement – Resolution (Timothy Poe)

iv. Janitorial Services Contract Extension and Additional Funding Request – Resolution (Robert Loeser)

v. Operation and Maintenance Services for SENY Transmission Facilities Recommendation for Award – Resolution (Saul Rojas)

c. Customer Solutions

i. ReCharge New York Power – New, Extended and Modified Allocations – Resolution – (Maribel Cruz Brown)

ii. Transfer of ReCharge New York Power Allocations – Resolution (Maribel Cruz Brown)

iii. High Load Factor Power Allocation – Resolution (Maribel Cruz Brown)

iv. Contracts for the Sale of Hydro Power – Final Approval and Transmittal to the Governor – Resolution (Maribel Cruz Brown)

v. Extension of Hydropower Contracts with Upstate Investor-Owned Utilities for the Benefit of Rural and Domestic Consumers – Notice of Public Hearing – Resolution (Maribel Cruz Brown)

vi. Municipal and Rural Electric Cooperative Industrial Economic Development Program – Allocation to the Village of Angelica – Resolution (Maribel Cruz Brown)

vii. Recommendation for Award of Fund Benefits from the Western New York Economic Development Fund by the Western NY Power Proceeds Allocation Board – Resolution (Maribel Cruz Brown)

d. Procurement (Services) Contracts

i. Procurement (Services) and Other Contracts – Business Units and Facilities – Awards, Extensions, and/or Additional Funding -- Resolution (John Canale)

e. Governance Matters

i. Approval of the Minutes of the Joint Power Authority of the State of New York and New York State Canal Corporation and New York Renewable Energy Development Holdings Corporation held on May 20, 2025.

f. Captive Insurance Company

i. Adoption of Corporate Resolution at Annual Meeting of the Board of Directors of the NYPA Captive Insurance Company -- Resolution (Andrew Negro)

ii. Approval of the Minutes of the New York Power Authority Captive Insurance Company Board of Directors held on July 16, 2024.

6. NEXT MEETING

NEW YORK STATE | NY Power Authority | Canal Corporation

July 29, 2025

Motion to Conduct an Executive Session

I move that the Board conduct an executive session to discuss the financial and credit history of a particular corporation (pursuant to §105f of the Public Officers Law).

NEW YORK STATE | NY Power Authority | Canal Corporation

July 29, 2025

Motion to Resume Meeting in Open Session

I move to resume the meeting in Open Session.

President & CEO Report

Justin E. Driscoll
President & CEO

July 29, 2025

Developing 1 GW of Nuclear Energy for New York

On June 23, Governor Kathy Hochul directed NYPA to develop at least one new nuclear energy facility with a combined capacity of no less than 1 GW of electricity, either alone or in partnership with private entities in upstate New York

Status

- **Hiring SVP of Nuclear Development**
- **Working with EPRI as well as other public power organizations**
- **Planning and preparing project requirements including solicitations for technologies and siting**

AI and Innovation

Renewables Strategic Plan Update

Risk and Resiliency Update

NEW YORK STATE CANALS

Canal Corporation Bicentennial Update

NY Power Authority | Canal Corporation

Chief Operating Officer's Report

Joseph F. Kessler, P.E.
EVP & Chief Operating Officer

July 29, 2025

Environmental, Health and Safety (EHS)

Enhancing Safety Culture Through Pre-Job Briefings

"After more than 30 years of managing safety, I have come to this conclusion: the top safety performers have incorporated the following programs to set the standard for safety."

Rich McElhaney, The Real Cost of Safety

Top Safety Programs:

- Conduct thorough safety preplanning (e.g. JHA, JSA, etc.)
- Encourage two-way communication during daily safety huddles
- Cultivate a genuine and consistent "no fault" safety culture
- Implement a robust safety observations program
- Complete detailed lessons learned and near-miss reporting
- Provide a thorough safety orientation for new employees and Superintendents before they enter the field

Statistics

DART Rate (through June)

	NYPA	CANALS
DART Rate	1.08	4.34
Target	0.78	3.25
BLS Average *	1.70	3.80

Type of Injuries (through June)

	NYPA	CANALS
Vehicle Incident	1	
Slip, Trip, Fall	2	1
Ergonomic	4	4
Struck by/Against	1	3
Allergic Reaction		1
Exposure Hot/Cold	1	
Insect Bite	1	
Burn (UV)	1	
2025 June YTD Total	**11**	**9**
2024 June YTD Total	10	10

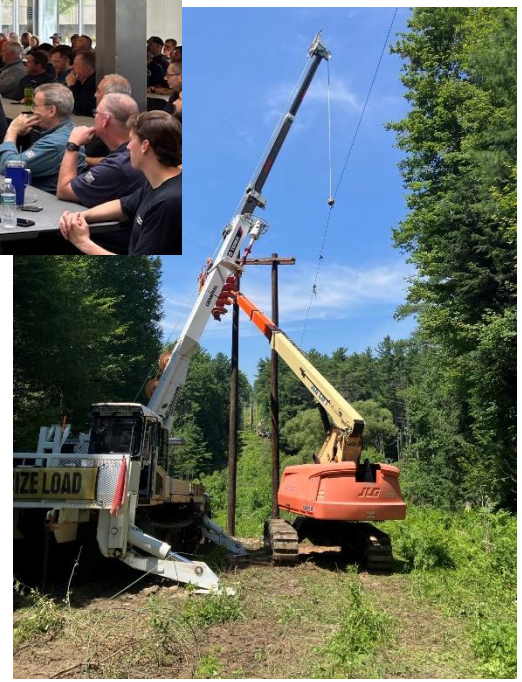
*** BLS** – Bureau of Labor Statistics; data for Utilities and Port & Harbor Operations, respectively.

JHA – Job Hazard Analysis; **JSA** – Job Safety Analysis

Operations Highlights

- **Safety BBQ Series:** enhancing work safety culture at NYPA and Canals
- **FERC Security Inspections:** completed security inspections at Central NY region hydroelectric projects and the CEC Security Command Center
- **NPCC Audit:** undergoing a full audit of NERC Reliability Standards through end of August 2025
- **Summer System Preparedness:** ready for a warmer summer and active hurricane season with robust storm response plans
- **Mutual Assistance Request:** assisted Avangrid with urgent transmission and distribution restoration in Binghamton area
- **NYPA Fly Day Event:** three-day event showcasing operational use cases and training among pilots
- **Customer Centricity:** position NYPA as the trusted advisor through a unified, personalized, and responsive experience
- **Canal Corp.:** Erie Canal celebrating its bicentennial with series of festivals, concerts, performance, and historic talks leading to the World Canals Conference in Buffalo, NY in September

Safety BBQ Series with Inspirational Speaker



Mutual Assistance Restoration Efforts

Fly Day Event

NPCC – Northeast Power Coordinating Council; **NERC** – North American Electric Reliability Corporation

NYPA Achieves Certification to ISO 55001: 2024 Standard

To remain best in class among utilities and global leaders in asset management, NYPA has re-certified its asset management system against the new 2024 standard – the first utility in North America to do so.

Customer Centric Data Management Initiative

Vision Create an end-to-end continuum of the customer

Mission Develop a system-wide methodology that fully integrates NYPA customer interactions

Objectives

- Combine all customer data from different sources into one comprehensive view
- Understand customer needs to offer personalized recommendations and build trust
- Improve system speed up data collection and reporting processes

Customer Information & External Factors

Communication

Project Details

Energy Services Pipeline & Portfolio

Goals

Macro-Economic Conditions

Regulatory Policy Drivers

Systems

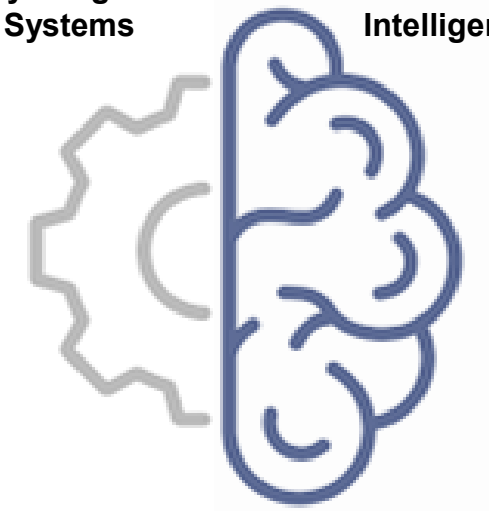
PROCORE

Microsoft Dynamics 365

ORACLE PRIMAVERA P6

Fully Integrated Systems

Artificial Intelligence



Single View Reports

Trusted Partner

Streamlined Systems

New York State Canals – Operations

- **“Maintenance in Motion”:** social media campaign highlighting view into Canals’ work west of Lock E-16 at Rocky Rift, raising awareness on what it takes to maintain historic system
- **Arrival of the Thomas X. Grasso Tugboat:** significant investment by NYPA into core canal maintenance and operations, with ceremonial christening set for September in the Rochester area
- **All-Electric Workboat:** the all-electric workboat, which Canals is testing during the 2025 navigation season, was showcased in Sylvan Beach in July
- **Crane Rental Agreement:** 5-year, $11 million contract award proposed to support winter maintenance

Thomas X. Grasso Tugboat

All-Electric Workboat Demonstration

NY Power Authority | Canal Corporation

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: **July 29, 2025**

To: **NEW YORK POWER AUTHORITY BOARD OF TRUSTEES**

From: **PRESIDENT & CHIEF EXECUTIVE OFFICER**

Subject: **Proposed Contract for the Sale of Preservation Power to Alcoa USA Corp. – Notice of Public Hearing**

SUMMARY

The New York Power Authority Board of Trustees ("Board of Trustees") is requested to; (1) approve a Preservation Power allocation renewal for a 240-megawatt ("MW") award to Alcoa USA Corp. ("Alcoa") through March 31, 2036 (the "Allocation"), with an option for Alcoa to extend the term for two additional five-year periods if specific capital investment and employment commitments are met, for a total term of up to 20 years; and (2) authorize a public hearing on the proposed contract entitled "Agreement for the Sale of Firm Hydroelectric Power and Energy from the St. Lawrence-FDR Power Project to Alcoa USA Corp.", including Service Tariff No. AL-2 ("Proposed Contract") for the sale of 240 MW of Preservation Power to Alcoa, in accordance with Public Authorities Law ("PAL") § 1009 as summarized below.

The Proposed Contract is attached as Exhibit "A".

BACKGROUND

Under PAL § 1005(13), the Authority may allocate and sell directly or by sale for resale, 490 MW of Preservation Power to businesses located in Jefferson, Franklin and St. Lawrence counties.

As required by PAL § 1009, when the Authority has reached agreement with its co-party on a power sale contract, it is required to transmit the proposed contract to the Governor and other elected officials and hold a public hearing on the proposed contract. At least 30 days' prior notice of the hearing must be given by publication once each week during such period in each of six selected newspapers. Following the public hearing, the contract may be modified, as necessary, and will be submitted for final approval by the Board of Trustees and the Governor.

The current contract between the Authority and Alcoa, entitled "Agreement for the Sale of Firm Hydroelectric Power and Energy from the St. Lawrence-FDR Power Project to Alcoa Inc.", effectuated in or around February 2020 ("2020 Agreement"), provides for the sale of 240 MW of Preservation Power to Alcoa, with a commitment by Alcoa to maintain at least 450 employees at its Massena West Plant, located at Park Avenue East, Massena, New York, 13662 (the "Facility"). The allocation and electric service under the 2020 Agreement is scheduled to expire on March 31, 2026.

Alcoa is the world's oldest continuously operating smelter, having been smelting aluminum for more than 120 years. Alcoa signed their first agreement with the Authority in 1955 and became one of NYPA's first customers when power started to be generated at the St. Lawrence-FDR Power Project in 1957. Over the years, Alcoa and the Authority have entered into a number of agreements. In 2009, the Authority and Alcoa agreed to terms that would

provide Alcoa with 478 MW of Preservation Power. Alcoa agreed to invest at least $600 million and retain at least 900 employees over the course of the 30-year agreement. However, shortly after breaking ground on the new East Plant smelter, Alcoa made the decision to temporarily curtail operations and then permanently close that facility. The Authority worked closely with Alcoa during this time and ultimately came to terms in 2015 that required Alcoa to retain 600 employees.

In Alcoa's current agreement that was signed in 2020, Alcoa received 240 MW of Preservation Power. In return, Alcoa agreed to a capital investment commitment of $2 million per year over a three-year rolling average period. In addition, Alcoa was required to retain at least 450 jobs. In late 2023, the Authority and Alcoa commenced discussions of an extension of Alcoa's hydropower allocation. On March 21, 2025, the Authority and Alcoa reached agreement on a term sheet to extend the allocation for ten years and provide for two five-year extensions if certain capital investment and employment commitments are met. Both parties recognize the value of the long-standing relationship, dating back nearly 70 years. The Authority and Alcoa have now reached an agreement pursuant to which the Authority would sell the Allocation of 240 MW to Alcoa under the Proposed Contract, including Service Tariff No. AL-2 ("ST AL-2").

The Proposed Contract between the Authority and Alcoa includes, but is not limited to, the following provisions:

i. Electric Service to be Provided
ii. Employment, Capital Investment and Other Commitments
iii. Service Tariff; Conflicts
iv. Rates; Other Charges; Authority Bond Covenant
v. Hydropower Curtailments; Substitute Energy
vi. Billing and Billing Methodology
vii. Base Term; Termination of Electric Service; and Early Termination
viii. Notification
ix. Applicable Law
x. Successors and Assigns, No Resale of Allocation, No Third-Party Beneficiaries

DISCUSSION

The Allocation of Preservation Power to Alcoa is in consideration of Alcoa's agreement to, among other things, maintain smelting operations at the West Plant and retain a minimum of 500 full-time employees at the facility. The other key elements of the Proposed Contract are as follows:

1. Power Allocation Quantity

   The Allocation of 240 MW of Preservation Power.

   Electric service under the Proposed Contract would be effective through March 31, 2036 ("the Term"). Alcoa would have the option to extend the Term for two additional five-year periods if specific capital investment commitments are met.

2. Pricing

   In accordance with ST AL-2, firm hydroelectric power and energy associated with the allocation will be sold to Alcoa at rates tied directly to aluminum prices. NYPA will be

paid a rate for electricity that is calculated using the price of aluminum, allowing NYPA to benefit from increases in the market price of aluminum. NYPA's rate will be calculated monthly ("Monthly Energy Rate") ($/MWh) using the Aluminum Price according to the following formula:

Monthly Energy Rate = (1.75*(Aluminum Price/100)) - 13.65

If the Monthly Energy Rate falls below the Preference Power Rate, Alcoa will be required to pay the Preference Power Rate, which is based on NYPA's cost of service, at their load factor.

The Aluminum Price for a particular month (M) shall be the Official London Metal Exchange Aluminum High Grade Cash Settlement daily average price for the prior month (M-1) (in $/metric ton), as published by the London Metal Exchange. The Midwest Aluminum Premium published by Platt's Metals Week will no longer be utilized when establishing the Aluminum Price.

There will be no price ceiling on the Monthly Energy Rate applicable in any given month.

The Monthly Energy Rate shall be no lower than the overall Preference Power rates charged by the Authority to its qualifying customers. The floor energy rate ("Floor Energy Rate") shall be the NYPA Preference Power rate, as defined in the Service Tariff, in $/MWh, using a load factor of 98%.

3. NYISO and Other Transmission Charges

   Consistent with other tariffs, in addition to the Monthly Energy Rate charges, Alcoa will pay all New York Independent System Operator ("NYISO") charges imposed on the Authority by the NYISO with respect to the load serving entity services provided to Alcoa. All taxes, assessments and other charges or costs imposed by third parties, including the NYISO Transmission Service Charge, other NYISO charges, and other transmission charges, will be passed through to Alcoa for payment.

   In addition to general tariff provisions, ST AL-2 includes specific provisions to ensure the Authority's costs are recovered from Alcoa during the term of the Proposed Contract.

4. Clean Energy Standard ("CES") and Renewable Energy Standard Charges

   As specified in Schedule C of the Proposed Contract, Electric Service under the Proposed Contract is subject to a Monthly CES Charge, including, but not limited to, the cost of Zero Emission Credits and Tier 1 Renewable Energy Credits that the Authority incurs attributable to the load served under the Proposed Contract. The cost of all CES Charges associated with Alcoa's load will be passed through to Alcoa.

5. Capital Commitments

   Alcoa will agree to make annual capital investments of $3 million at the Facility, as required by the Proposed Contract. Throughout the 10-year Term, and any extended term(s), a 90% compliance threshold will apply to the three-year rolling average of these investments. Over the initial 10-year Term, Alcoa will invest a total of at least $30 million. If Alcoa invests at least an additional $40 million, or $70 million total, from

2025 to 2035, Alcoa has the option to extend the Proposed Contract for an additional 5 years. If Alcoa elects the first 5-year extension, the total required investment from 2025 to 2040 will be $85 million. If Alcoa invests over $130 million during this period (2025-2040), it can opt for a second 5-year extended term. If Alcoa elects the second 5-year extension, the total investment commitment for the 20-year period from 2025 to 2045 will be $145 million. The capital investment schedule and requirements are detailed in the Appendix to Schedule B in the Proposed Contract.

6. Job Commitments

   Alcoa agrees to maintain no less than 500 jobs throughout the Term of the Proposed Contract, which is an increase from 450 jobs in the current Agreement.

7. Energy Usage

   The Allocation is subject to reduction if it is not utilized as required by the Proposed Contract.

8. Term

   The Term of the Allocation under the Proposed Contract would run through and including March 31, 2036, with Alcoa having an option to extend the Term for two additional five-year periods if specific capital investment and employment commitments are met, unless electric service terminates prior to that date pursuant to the terms of the Proposed Contract.

FISCAL INFORMATION

The Proposed Contract will have no fiscal impact related to rates under ST AL-2 because the base rates are not changing.

RECOMMENDATION

The Proposed Contract would fulfill key economic development and employment goals of the Authority by providing 240 MW of hydropower to secure a commitment by Alcoa to the North Country and New York State to provide 500 jobs and additional capital investment of up to $145 million over a potential 20-year period. Accordingly, the Senior Vice President – Customer Solutions requests that the Board of Trustees; (1) approve the allocation of 240 MW of Preservation Power to Alcoa under the Proposed Contract and ST AL-2, (2) authorize a public hearing on the Proposed Contract in accordance with PAL § 1009, and (3) authorize the other actions proposed in this memorandum.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Justin E. Driscoll

President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, That the allocation of 240 MW of Preservation Power to Alcoa USA Corp. ("Alcoa"), as described herein, and hereby is, approved; and be it further

RESOLVED, That the Trustees hereby authorize a public hearing pursuant to Public Authorities Law ("PAL") § 1009 on the terms of the Proposed Contract for the Sale of Firm Hydroelectric Power and Energy from the St. Lawrence-FDR Power Project to Alcoa USA Corp. (the "Contract"), together with the annexed Service Tariff No. AL-2; and be it further

RESOLVED, That the Corporate Secretary be, and hereby is, authorized to transmit a copy of the Contract to the Governor, the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee pursuant to PAL § 1009; and be it further

RESOLVED, That in connection with the proposed Contract, the Corporate Secretary be, and hereby is, authorized to arrange for the publication of a notice of public hearing in six newspapers throughout the State, in accordance with the provisions of PAL § 1009; and be it further

RESOLVED, That the Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

Exhibit A
July 29, 2025

POWER AUTHORITY OF THE STATE OF NEW YORK

30 South Pearl Street
10th Floor
Albany, New York 12207-3425

AGREEMENT FOR THE SALE OF FIRM HYDROELECTRIC POWER AND ENERGY FROM THE ST. LAWRENCE-FDR POWER PROJECT TO ALCOA USA CORP.

(Service Tariff No. AL-2 – Electric Service Tariff for Alcoa USA Corp. Firm Hydroelectric Power Service)

POWER AUTHORITY OF THE STATE OF NEW YORK

30 South Pearl Street, 10th Floor
Albany, New York 12207-3425

AGREEMENT FOR THE SALE OF FIRM HYDROELECTRIC POWER AND ENERGY FROM THE ST. LAWRENCE-FDR POWER PROJECT TO ALCOA USA CORP.

The Power Authority of the State Of New York ("Authority"), created pursuant to Chapter 772 of the New York Laws of 1931 and existing under Title I of Article V of the New York Public Authorities Law ("PAL"), having its office and principal place of business at 30 South Pearl Street, 10th Floor, Albany, New York 12207-3425, hereby enters into this Agreement for the Sale of Firm Hydroelectric Power and Energy From the St. Lawrence-FDR Power Project to Alcoa USA Corp. ("Agreement") with Alcoa USA Corp. ("Alcoa" or "Customer"), having offices and a principal place of business at 201 Isabella Street, Pittsburgh, PA 15212. The Authority and the Customer are from time to time referred to in this Agreement as "Party" or collectively as "Parties" and agree as follows:

WHEREAS, the Authority and Alcoa, in or around February 2020, entered into a contract entitled "Agreement for the Sale of Firm Hydroelectric Power and Energy from the St. Lawrence-FDR Power Project to Alcoa USA Corp." (the "2020 Agreement"), which agreement is scheduled to expire on March 31, 2026;

WHEREAS, as its meeting on ____, 2025, the Board of Trustees of the Authority awarded Alcoa an extension of its Preservation Power Allocation for a Base Term running from April 1, 2026 through March 31, 2036, and for such Extended Term(s) permitted under this Agreement, for use at the Customer's Facility as defined in this Agreement;

WHEREAS, the Parties seek to enter into a new agreement effective April 1, 2026, to supply the Customer with Firm Hydroelectric Power and Energy from the Authority's St. Lawrence-FDR Project for use by the Customer at its Facility;

WHEREAS, the Parties have reached an agreement on the terms and conditions for a new contract providing for the sale of the Firm Hydroelectric Power and Energy;

WHEREAS, Electric Service to be provided to the Customer shall be subject to the rates and other terms and conditions as provided for in this Agreement and Service Tariff No. AL-2; and

WHEREAS, the Authority has complied with requirements of PAL § 1009, and has been authorized to execute the Agreement.

NOW THEREFORE, the Parties hereto agree as follows:

I. Definitions

"2020 Agreement" has the meaning provided for in the Recitals to this Agreement.

"Agreement" means this Agreement entitled "Agreement for the Sale of Firm Hydroelectric Power and Energy From the St. Lawrence-FDR Power Project To Alcoa USA Corp."

"Adverse Production Condition" means a condition relating to the level, flow, or usage of water at or in the vicinity of the Project and/or its related facilities and structures, that causes the Authority to take responsive action that has the effect of preventing the Project from producing a sufficient amount of Firm Hydroelectric Power and Energy caused by (1) a decision or directive of the ILO-SLRB, (2) an order of the IJC, (3) a hydrologic or hydraulic condition, or (4) a Project Production Limitation.

"Allocation" means the amount of Preservation Power awarded to the Customer as specified in Schedule A.

"Base Term" means the period from April 1, 2026 through March 31, 2036.

"Contract Demand" means the amount of Preservation Power the Authority sells to the Customer as determined in accordance with the provisions of this Agreement.

"Effective Date" has the meaning provided in Section VIII.

"Electric Service" means Firm Hydroelectric Power and Energy sold to Customer in accordance with this Agreement, the Service Tariff and the Rules.

"Expiration Date" has the meaning provided in Section VIII.

"Extended Term(s)" mean the two five-year periods that Customer has the option to exercise pursuant to the terms of Appendix to Schedule B.

"Facility" means the Customer's West Plant facility located in Massena, New York.

"FERC" means the Federal Energy Regulatory Commission (or any successor organization).

"FERC License" means the license issued by FERC to Authority for the continued operation and maintenance of the Project, pursuant to Section 15 of the Federal Power Act.

"Firm Energy" means firm energy (kWh) associated with Firm Power.

"Firm Hydroelectric Power and Energy" is Firm Power and associated Firm Energy from the Project supplied to the Customer in accordance with the Agreement, the Service Tariff and the Rules.

"Firm Power" means capacity (kW) that is intended to be always available from the Project subject to the terms and conditions provided for in this Agreement, the Service Tariff and/or the Rules.

"Force Majeure" has the meaning set forth in Section XIV of this Agreement.

"Hydropower Curtailment" means a temporary reduction in the amount of Firm Energy to which the Customer is entitled to receive under this Agreement due to an Adverse Production Condition.

"International Joint Commission" or **"IJC"** refers to the entity with responsibility to prevent and resolve disputes between the United States of America and Canada under the 1909 Boundary Waters Treaty and pursues the common good of both countries as an independent and objective advisor to the two governments. The IJC rules upon applications for approval of projects affecting boundary or transboundary waters and may regulate the operation of these projects, including making determinations regarding uses of the waters of the St. Lawrence River for domestic, environmental and navigation purposes in preference over uses of water for power generation purposes.

"International Lake Ontario-St. Lawrence River Board" or **"ILO-SLRB"** means the board that was established by the IJC in its 2016 Order of Approval, whose primary duty is to ensure that outflows from Lake Ontario meet the requirements of the IJC's Order implementing Plan 2014, as amended from time to time.

"Load Serving Entity" or **"LSE"** means an entity authorized or required by law, regulatory authorization or requirement, agreement, or contractual obligation to supply energy, capacity and/or ancillary services to the Customer in compliance with the rules, tariffs, manuals and procedures of the NYISO.

"NYEM" means the New York Energy Manager, an energy management center owned and operated by the Authority.

"NYEM Agreement" means a written agreement between the Authority and the Customer providing for the Facility's enrollment and Customer's participation in NYEM.

"NYEM Participation" has the meaning specified in Schedule B of this Agreement.

"NYISO" means the New York Independent System Operator, Inc. or any successor organization responsible for the transmission and the reliable supply of electricity in the State of New York.

"NYISO Charges" has the meaning provided for in the Service Tariff.

"NYISO Tariffs" means the tariffs of the NYISO, including the NYISO Open Access Transmission Tariff and the Market Administration and Control Area Services Tariff, as such tariffs are amended and in effect from time to time.

"Physical Energy Audit" or **"Audit"** means a physical evaluation of the energy efficiency of portions of the Facility that does not include the aluminum smelting pots in a manner consistent with applicable industry standards that include at a minimum the following elements: (a) an assessment of the Facility's energy use, cost and efficiency which produces an energy utilization index for the Facility (such as an Energy Use Intensity or Energy Performance Indicator); (b) a comparison of the Facility's index to indices for similar buildings/facilities; (c) an analysis of low-cost/no-cost measures for improving energy efficiency; (d) a listing of potential capital improvements for improving energy consumption; and (e) an initial assessment of potential costs and savings from such measures and improvements.

"Planned Hydropower Curtailment" means a Hydropower Curtailment made in response to an anticipated or forecasted Adverse Production Condition.

"Preservation Power" or "**PP**" means Firm Power and associated Firm Energy from the Project that the Authority may award and sell to qualifying businesses pursuant to PAL § 1005(13).

"Project" means Authority's St. Lawrence-FDR Power Project, FERC Project No. 2000.

"Project Production Limitation" means (1) a mechanical failure, malfunction, or other limitation at the Project, or (2) a reduction in the Project's capacity to produce hydroelectric power and energy made by the Authority in response to an anticipated a mechanical failure, malfunction, or Project maintenance.

"Rules" are the provisions of Authority's Rules and Regulations for Power Service (Part 454 of Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York) as they are modified from time to time.

"Schedule A" refers the Schedule A entitled "Preservation Power Allocation(s)" which is attached to and made part of this Agreement.

"Schedule B" refers to the Schedule B entitled "Employment, Capital Investment and Other Commitments" which, along with its attachments/appendices, is attached to and made part of this Agreement.

"Schedule C" refers to the Schedule C entitled "Clean Energy Standard Charge**"** which is attached to and made part of this Agreement.

"Service Tariff" means the Authority's Service Tariff No. AL-2, as may be modified from time to time by the Authority, which contains, among other things, the rate schedule establishing rates and other commercial terms and conditions for sale of Electric Service to Customer under this Agreement.

"Substitute Energy" means energy that the Authority supplies to the Customer for the purpose of replacing Firm Energy that is not supplied to the Customer due to an Adverse Production Condition.

"Taxes" has the meaning provided for in the Service Tariff.

"Term" means the Base Term and any Extended Term(s) duly exercised under the Appendix to Schedule B of this Agreement.

"Transmission Service Charge" or "TSC" means the "NYPA Transmission Service Charge", authorized under the NYISO Open Access Transmission Tariff and applicable to deliveries of Electric Service to Customer.

"Unforced Capacity" or "UCAP" means the total electric capacity required to be provided by NYPA as LSE to serve the Customer's electric load in the wholesale markets, pursuant to the NYISO Tariffs, Rules and Regulations.

"Unplanned Hydropower Curtailment" means a Hydropower Curtailment made in response to Adverse Production Condition that the Authority did not anticipate or forecast.

Other capitalized terms herein that are not otherwise defined in this Agreement or in its attachments and schedules shall have the meaning set forth in the Service Tariff or the Rules.

II. Electric Service to be Provided

A. Allocation and Contract Demand. The Authority will supply to Alcoa two hundred forty thousand (240,000) kW of Firm Hydroelectric Power and Energy from the Project (*i.e.*, the "Allocation"), branded in statute as Preservation Power, for the Base Term and any Extended Term(s) provided for in the Appendix to Schedule B, for use at the Facility identified in Schedule A. The Contract Demand is the amount of PP the Authority sells to Alcoa and shall equal the Allocation amount.

B. Voltage and Delivery Points. Voltage and delivery points shall be at 115,000 Volts at the points of interconnection of Customer's transmission lines to the Barnhart Island Switchyard of the Authority at the Facility in Massena, New York, or at such other points and voltages as agreed between Customer and the Authority.

C. Reduction of Contract Demand. The Contract Demand may be reduced by Authority if the amount of Firm Hydroelectric Power and Energy available for sale from the Project is reduced as required to comply with any unstayed ruling, order or decision of any regulatory or judicial body of competent jurisdiction, provided that the Authority will exercise due diligence in monitoring activities that may result in such a ruling, order or decision and provide notice to Customer of such activities. Any such reduction in the Contract Demand made by the Authority shall be in proportion to the overall reduction in the aggregate contract demands of hydroelectric customers sold by the Authority from the Project.

D. Facilities Relocation. The Authority and Customer shall cooperate in any relocation or installation of transformers or other related facilities servicing Facility that either Party reasonably deems necessary or desirable. The costs of any such relocation or installation shall be the responsibility of Customer, except in cases where Authority seeks the relocation or installation; provided however, that Authority will, if requested by Customer, consider in good faith whether its other customers receive any substantial benefit from such relocation or installation. If NYPA determines that such a substantial benefit exists, the Parties shall negotiate in good faith regarding an alternative funding arrangement, provided, however, the Authority shall not be obligated to agree to an alternative funding arrangement.

E. Incremental Demand. The Authority will act as the LSE for the Customer's entire electric supply at the Facility. Any time the Customer exceeds the Allocation described in Schedule A, the Authority shall supply Customer with energy that the Authority purchases from the wholesale power market on behalf of Customer. When this occurs, NYPA will apply the load factor share billing methodology described in Service Tariff AL-2. Notwithstanding the prior provisions of this Section II.E, Customer during the Term hereof shall retain the option to apply for additional allocations of Preservation Power subject to availability and pursuant to the PAL and Rules. If granted, the terms and conditions for the allocation shall be negotiated by the Parties and memorialized in a separate agreement.

III. Employment, Capital Investment and Other Commitments

The Customer shall be subject to the "Employment, Capital Investment and Other Commitments" set forth in Schedule B. As more particularly set forth in Schedule B, the Authority's obligation to provide Electric Service under this Agreement may be reduced or terminated altogether in the event of Customer's non-compliance with the commitments provided for in Schedule B. The Employment, Capital Investment and Other Commitments are in addition to other Customer commitments and obligations provided in this Agreement and the Service Tariff.

IV. Service Tariff; Conflicts

A. A copy of the Service Tariff and the Rules in effect as of the Effective Date, subject to change from time to time, are attached to this Agreement as Exhibits 1 and 2, and will apply under this Agreement with the same force and effect as if fully set forth herein. The Customer consents to the application of the Service Tariff. As further provided for in this Agreement, the Service Tariff is subject to revision by the Authority from time to time, and if revised, the revised provisions thereof will apply under this Agreement with the same force and effect as if set forth herein provided, however, that any such revisions to the Service Tariff may not impose new or additional charges upon Customer beyond those categories of costs expressly authorized in this Agreement and the Service Tariff in effect as of the Effective Date of this Agreement. For purposes of clarification, the formula for calculating the Monthly Energy Rate set forth in the Service Tariff attached hereto shall not change during the Term hereof.

B. Except as provided in Section V.D. of the Agreement, the Authority shall provide a minimum thirty (30) days prior written notice to Customer of any proposed change in the Rules or Service Tariff, but in no event shall the Authority provide less notice than that provided to similarly affected customers within New York State.

C. In the event of any inconsistencies, conflicts or differences between the provisions of the Service Tariff and the Rules, the provisions of the Service Tariff shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of this Agreement and the Rules or Service Tariff, the provisions of this Agreement shall govern.

V. Rates; Other Charges; Authority Bond Covenant

A. Firm Hydroelectric Power and Energy associated with the Allocation shall be sold to Customer hereunder at rates set forth in the Service Tariff. For purposes of clarity, the Parties acknowledge that the TSC will no longer be part of the rate and will be a stand-alone charge on the invoice the Customer receives from the Authority. The rates and any applicable Minimum Monthly Capacity Charge, as defined in the Service Tariff, paid by Customer shall account for the UCAP necessary to meet Customer's NYISO UCAP requirements.

B. Customer shall compensate the Authority for all transmission costs the Authority incurs as provided for in the Service Tariff. The Customer understands that delivery of the Allocation will be made over transmission facilities under the control of the NYISO, including those owned by Customer or its affiliates. Unless Customer provides the Authority with sixty (60) days written notice, the Authority will act as the LSE with respect to the NYISO or arrange for another entity to do so on its behalf. Customer agrees and understands that it shall reimburse the Authority at cost, without mark-up, for all NYISO charges incurred by the Authority with respect to the Allocation for the services established in the NYISO Tariffs, whether or not such charges are transmission-related. Such charges shall be in addition to the Monthly Energy Rate provided for in the Service Tariff.

C. To the extent the Authority incurs any Taxes, assessments, other charges or costs authorized by law or regulation and imposed by third parties that are applicable to the Allocation, other than any charges authorized under Sections V.A and V.B or associated with the Clean Energy Standard as addressed in Schedule C and Section V.E of this Agreement, the Customer agrees to compensate Authority for its proportionate share of such charges incurred as set forth in the Service Tariff. Such charges and costs shall be in addition to the charges and costs recovered through the rates provided for in the Service Tariff.

D. Notwithstanding any provision of this Agreement to the contrary, the power and energy rates shall be subject to increase by Authority at any time upon thirty (30) days prior written notice to Customer if, after consideration by Authority of its legal obligations, the marketability of the output or use of the Project and Authority's competitive position with respect to other suppliers, Authority determines in its discretion that increases in rates obtainable from any other Authority customers will not provide revenues, together with other available Authority funds not needed for operation and maintenance expenses, capital expenses, and reserves, sufficient to meet all requirements specified in Authority's bond and note resolutions and covenants with the holders of its financial obligations. Authority shall use its best efforts to inform Customer at the earliest practicable date of its intent to increase the power and energy charges pursuant to this provision. Any rate increase to Customer under this subsection shall be on a non-discriminatory basis as compared to other Authority customers after giving consideration to the factors set forth in the first sentence of this subsection. With respect to any such increase, the Authority shall forward to the Customer with the notice of increase, an explanation of all reasons for the increase, and shall also identify the sources from which the Authority will obtain the total of increased revenues and the basis upon which the Authority will allocate the increased revenue requirements among its customers. Any such increase in rates shall remain in effect only so long as the Authority determines such increase is necessary to provide revenues for the purposes stated in the preceding sentences.

E. In addition to all other fees, assessments and other charges provided for in the Agreement, the Service Tariff, and the Rules, the Customer shall be responsible for payment of the Clean Energy Standard Charges described in Schedule C, provided that the Authority recognizes that the Customer is an economic development customer that is served by renewable power directly from the St. Lawrence-FDR Power Project, and further provided that the Parties shall cooperate to implement said charges in the most cost-effective way for the Customer to the extent practicable.

VI. Hydropower Curtailments; Substitute Energy

A. In the event of an Adverse Production Condition, the Authority will have the right in its discretion to implement a Hydropower Curtailment to the Customer. The Authority will implement Hydropower Curtailments on a non-discriminatory basis as to all Authority customers that are served by the Project such that when an Anticipated Curtailment is called, it shall be based on the NYPA's monthly hydro shortfall forecast. The Authority will exercise due diligence in monitoring activities that may result in an Adverse Production Condition and provide Customer notice pursuant to Section VI.B.

B. The Authority will provide the Customer with advance notice of Planned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer no later than the tenth business day of the month prior to the month in which the Planned Hydropower Curtailment is expected to occur unless the Authority is unable to provide such notice due to the circumstances that impede such notice, in which case the Authority will provide such advance notice that is practicable under the circumstances. The Authority will provide the Customer with notice of Unplanned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer as soon as practical after the Authority becomes aware of the need for an Unplanned Hydropower Curtailment.

C. The Authority will supply Substitute Energy to the Customer to replace the hydroelectricity that would otherwise have been supplied but for the Planned Hydropower Curtailment or Unplanned Hydropower Curtailment. For each kilowatt-hour of Substitute Energy supplied by the Authority, in lieu of paying the rates provided for in Section V.A of this Agreement and the Service Tariff, the Customer shall pay the Authority directly for: (a) the market cost of the Substitute Energy; and (b) all costs, including but not

limited to any NYISO Charges and Taxes, the Authority incurs in connection with the provision of Substitute Energy. Billing and payment for Substitute Energy shall be governed by the Billing and Payments provision of Section 454.6 of the Rules and shall apply directly to the Substitute Energy service supplied to the Customer. Except as provided for in this Section VI, all other provisions of the Agreement shall remain in full force and effect when Substitute Energy is being supplied.

D. In the event of a curtailment of Firm Hydropower and Energy pursuant to this Section VI, the Authority shall provide Substitute Energy during the curtailment but is under no obligation to make up the supply and will not make up the supply to the Customer in later Billing Periods for any curtailed Firm Hydropower and Energy that was not delivered to the Customer due to such curtailment. During periods when Substitute Energy is provided, billing for Firm Power and Energy shall be adjusted downward to reflect the amounts actually delivered (for example, in a single hour, if 40 MWs of Substitute Energy is supplied and the Customer demand remains at 240 MWs, 200 MWs would be billed under Section V.A and 40 MWs would be billed under Section VI.C).

VII. Billing and Billing Methodology

Billing and the billing methodology shall be implemented in accordance with the Service Tariff.

VIII. Base Term; Termination of Electric Service; and Early Termination

Electric Service under the Agreement shall commence effective April 1, 2026 (“Effective Date”) and continue for the Base Term through and including March 31, 2036 (the “Expiration Date”). The Term of this Agreement shall expire at the end of the Base Term unless extended by Customer pursuant to the terms set forth in the Appendix to Schedule B, in which case the Expiration Date shall be at the end of the first or second Extended Term(s), as the case may be. Customer shall provide at least thirty (30) days written notice prior to the expiration of the Base Term or the first Extended Term of its intent to extend the Agreement. Electric Service may be cancelled, reduced, modified, suspended, or terminated prior to the Expiration Date as follows:

A. The Authority may cancel or terminate Electric Service under this Agreement pursuant to Part 454 of the Rules upon notice specified in such provision.

B. The Authority may reduce or terminate Electric Service in accordance with the provisions of Schedule B upon Customer’s failure to comply with the requirements of that Schedule and its Appendix.

C. The Authority may modify Electric Service under this Agreement in a manner that is consistent with any reduction to the Allocation made for any reason authorized by this Agreement, the Service Tariff, or the Rules.

D. The Authority may cancel Electric Service, or modify the quantities of power and energy associated with the Allocation and adjust Electric Service accordingly, under this Agreement in order to comply with any unstayed ruling, order or decision of any regulatory or judicial body of competent jurisdiction, including any licensing or re-licensing order or orders of the FERC or its successor agency.

E. The Customer may, for any reason, terminate this Agreement or reduce or terminate Electric Service under this Agreement at any time on not less than sixty (60) days advance written notice to Authority, provided that such right of reduction or termination shall not impact Customer’s rights regarding

termination or reduction of Electric Service due to Force Majeure or breach of this Agreement by Authority.

IX. Notification

All Notices pertaining to non-payment or other default under the Agreement or reductions in the Allocation shall be sent via overnight mail and email to the addresses below. All other communications involving the administration of this Agreement shall be addressed by either email or overnight mail as follows:

To: Authority

Vice President – Economic Development & Key Account Management
Power Authority of the State of New York
123 Main Street
White Plains, NY 10601

To: Customer

Alcoa USA Corp.
Attention: Vice President -- Energy 201 Isabella Street
Pittsburgh, PA 15212
With a copy to:

Alcoa USA Corp.
Attention: General Counsel
201 Isabella St.
Pittsburgh, PA 15212

Notices issued pursuant to this Article shall be sent via email to the following addresses:

To Authority: contractdocs@nypa.gov
To Customer: Olivier.Charest@alcoa.com and alcoalegalnotices@alcoa.com

X. Applicable Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York to the extent that such laws are not inconsistent with the FERC License for the St. Lawrence-FDR Project.

XI. Successors and Assigns, No Resale of Allocation, No Third Party Beneficiaries

This Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the legal successors and assigns of either Party hereto. Subject to acceptance of all provisions of this Agreement by any successor or assignee, any assignment of this Agreement by Customer shall only be to another entity that will utilize the Allocation for the same purposes and same location as such Allocation is utilized by Customer. If Customer is unable to or does not use any portion of its Allocation for any period of time, then any such unused Firm Hydroelectric Power and Energy (and all rights attendant thereto) shall be

subject to Service Tariff provisions, including Minimum Monthly Capacity Charge, and shall revert to Authority for its exclusive use until utilized by Customer, and Customer shall have no right to sell, transfer, assign, monetize or otherwise use such unutilized power and energy. This Agreement shall not be construed to give any rights to any person who is not a Party to this Agreement.

XII. Supplementary Provision

Notwithstanding any provision of this Agreement, Section 454.2(c) of the Rules is inapplicable to this Agreement.

XIII. Previous Agreements and Communications

This Agreement shall constitute the sole and complete agreement of the Parties hereto with respect to the sale, transmission and delivery of the Allocation and supersedes all prior agreements and all previous communications between the Parties hereto, either oral or written, with reference to said Allocation. No modifications of this Agreement shall be binding upon the Parties hereto or either of them unless such modification is in writing and is signed by a duly authorized officer of each of them.

XIV. Force Majeure

A. Events of Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement (the "Claiming Party"), the Claiming Party shall be excused from the performance of its obligations with respect to this Agreement other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure. The non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure during the Force Majeure Event. Failure to perform in whole or in part because of the occurrence of an event of Force Majeure shall not constitute a default hereunder or subject a Party to liability for any resulting loss or damage. The Parties agree to use their respective reasonable efforts to cure any event of Force Majeure to the extent that it is reasonably possible to do so, it being understood that no Party shall be required to make any concession or grant any demand or request in order to bring to an end any strike, lockout or other industrial disturbance where such course is deemed inadvisable in its sole discretion. Upon the occurrence of an event of Force Majeure, the Claiming Party shall promptly notify the non-Claiming Party of such events and shall specify in reasonable detail the facts constituting such events of Force Majeure.

B. "Force Majeure" Definition. "Force Majeure" means labor strikes, lockouts or other labor troubles, shortage of labor, transportation, raw materials, energy sources, or failure of usual means of supply; fire; flood; war, declared or undeclared; insurrection; riots, acts of God or the public enemy; accidents to or breakdown or mechanical failure of machinery or equipment caused by an event of Force Majeure; "uncontrollable forces" as defined in Section 454.3(c) of the Rules; or any other cause whatsoever whether or not of any nature of character mentioned above which is beyond the reasonable control of the affected Party and which affects the performance by the affected Party of the whole or part of its obligations under this Agreement. For the avoidance of doubt, Force Majeure shall not include (i) increased costs of performance or decline in revenues, including price disruption or deterioration in Customer's sale markets; (ii) Customer's inability economically to use the Allocation; (iii) defaults or non-performance by contractors or suppliers unless caused by Force Majeure; or (iv) unavailability of

financing. Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by NYISO unless such curtailment is due to a Force Majeure event.

C. Customer Rights. In the event Customer is required to interrupt, suspend or limit production at the Facility as a result of Force Majeure, the Authority may suspend or reduce scheduled Electric Service, as appropriate. The Authority shall reinstate Electric Service hereunder upon the conclusion of the Force Majeure Event.

XV. Communications and Coordination

The Parties agree to use reasonable efforts to coordinate the timing and content of any public communications regarding this Agreement and the transactions contemplated hereby, provided that each Party shall be free to make any communication required by any applicable law, governmental regulations, stock exchange rules, subpoena or other written demand made in accordance with applicable law or as required in connection with any legal proceedings.

XVI. Severability and Voidability

If any term or provision of this Agreement shall be invalidated, declared unlawful or ineffective in whole or in part by an order of the FERC or a court of competent jurisdiction, such order shall not be deemed to invalidate the remaining terms or provisions hereof.

Notwithstanding the preceding paragraph, if any provision of this Agreement is rendered void or unenforceable or otherwise modified by a court or agency of competent jurisdiction, the entire Agreement shall, at the option of either Party and only in such circumstances in which such Party's interests are materially and adversely impacted by any such action, be rendered void and unenforceable by such affected Party.

XVII. Counterparts

This Agreement may be executed in any number of counterparts, each of which will be an original, with the same effect as if the signatures thereto were upon the same instrument.

XVIII. Effectiveness of Agreement

This Agreement shall become effective upon execution by the Parties.

AGREED:

ALCOA USA CORP.

BY: _____

Title: _____

Date: _____

(Seal)

Attest by: _____

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

BY: _____

Title: _____

Date: _____

(Seal)
Attest by: _____

SCHEDULE A
PRESERVATION POWER ALLOCATION(S)

Customer: Alcoa USA Corp. **Type of Allocation**	**Allocation Amount (kW)**	**Facility**	**Trustee Approval Date**	**Allocation Expiration Date**
Preservation Power (Applies Base Term)	240,000	West Plant, as defined in the Agreement	September 23, 2025	March 31, 2036
Preservation Power (Would Apply to First Extended Term)	240,000	West Plant, as defined in the Agreement	September 23, 2025	March 31, 2041
Preservation Power – Would Apply to Second Extended Term)	240,000	West Plant, as defined in the Agreement	September 23, 2025	March 31, 2046

SCHEDULE B

EMPLOYMENT, CAPITAL INVESTMENT AND OTHER COMMITMENTS

SECTION I. CUSTOMER COMMITMENTS

1. West Plant Operations: Customer will continue smelter operations at the Facility during the term of the Allocation.

2. Employment Commitments:

   a. The Customer shall create and maintain the employment level at the Facility set forth in the Appendix to this Schedule B (the "Base Employment Level") for the Base Term of the Allocation and any authorized Extended Term(s). Such Base Employment Level shall be the total number of full-time positions held by: (a) individuals who are employed by the Customer or its affiliates at the Facility, and (b) individuals who are contractors or who are employed by contractors of the Customer and assigned to the Facility (collectively, "Base Level Employees"). The number of Base Level Employees shall not include individuals employed on a part-time basis (less than 35 hours per week); provided, however, that two individuals each working 20 hours per week or more at the Facility shall be counted as one Base Level Employee.

   b. The Base Employment Level shall not be created or maintained by transfers of employees from previously held positions with the Customer or its affiliates within the State of New York, except that the Base Employment Level may be filled by employees of the Customer laid off from other Customer facilities for bona fide economic or management reasons.

   c. The Authority will consider a request to change the Base Employment Level based on a claim of increased productivity, increased efficiency or adoption of new technologies at the Facility, or for other appropriate reasons as determined by the Authority. Any such change shall be within the Authority's discretion.

3. Capital Investment Commitments

   The Customer shall make the Annual Capital Investment Commitments in accordance with the terms specified in the Appendix to this Schedule B.

4. Power Utilization

   For each month the Authority provides Electric Service to the Customer, the Customer shall utilize the entire Allocation, as represented by the Contract Demand (as such term is described in the Service Tariff) provided that a failure to do so may result in a reduction in the Allocation in accordance with the provisions of Schedule B. If only part of the Allocation is being utilized pursuant to a takedown schedule or other written agreement between the Customer and the Authority, then the Customer shall utilize such entire part of the Allocation.

5. Energy Efficiency and Conservation Program

a. The Customer shall implement an energy efficiency and conservation program at the Facility through either (a) enrollment of the Facility and participation in New York Energy Manager ("NYEM") in accordance with a NYEM Agreement, or (b) one or more Physical Energy Audits of the Facility, or (c) a combination of such measures, in accordance with the provisions of this Article. The program shall be applicable only to energy use at the Facility that is not utilized in the aluminum smelting pots.

b. The Authority shall transmit to the Customer a NYEM Agreement and an election form. The Customer shall elect to either (a) enroll the Facility and participate in NYEM for a three-year term ("NYEM Participation") in accordance with the NYEM Agreement, or (b) perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority's communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit within three (3) years of the Effective Date of this Agreement, at its own expense.

c. The Authority shall, on or before the expiration of the three-year term of the NYEM Agreement, transmit to the Customer a NYEM Agreement specifying the terms and conditions that would apply to NYEM participation for a second term, and an election form. The Customer shall elect either (a) NYEM Participation for a second term, or (b) to perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority's communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit during the calendar year that begins six years after of the Effective Date of this Agreement, at its own expense.

d. The Authority may in its discretion waive the requirement for a Physical Energy Audit, or may agree to a limited energy audit of the Facility, where it determines that the Physical Energy Audit is unnecessary based on the age of the Facility, energy efficiency and conservation improvements made at the Facility, the length of the Allocation, or other considerations the Authority determines to be relevant.

SECTION II. RECORDKEEPING AND REPORTING

1. Employment

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority, of the total number of Base Level Employees who are employed at or assigned to the Facility. Such report shall separately identify the individuals who are employed by the Customer, and the individuals who are contractors or who are employed by contractors of the Customer, and shall be certified to be correct by an officer of the Customer, plant manager or such other person authorized by the Customer to prepare and file such report and shall be provided to the Authority on or before the last day of February following the end of the most recent calendar year. The Authority shall have the right to examine and audit on reasonable advance written notice all non-confidential written and electronic records and data concerning employment levels including, but not limited to, personnel records and summaries held by the Customer and its affiliates relating to employment in New York State.

2. Capital Investments

The Customer shall comply with the recordkeeping, recording and reporting requirements specified in the Appendix to this Schedule B.

3. Power Utilization

A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority on or before the last day of February following the end of the most recent calendar year, of the maximum demand utilized each month at the Facility.

SECTION III. COMPLIANCE ACTION BY THE AUTHORITY

1. Employment

If the year-end monthly average number of employees is less than 90% of the Base Employment Level set forth in the Appendix to this Schedule B for the subject calendar year, the Authority may reduce the Contract Demand in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount of reduction will be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average monthly employment during the subject calendar year divided by the Base Employment Level. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, the Agreement shall automatically terminate.

2. Capital Investment Commitments

The Authority may reduce the Contract Demand as provided in the Appendix to this Schedule B if the Customer does not comply with the Annual Capital Investment Commitment.

3. Power Utilization Level

If the average of the Customer's six (6) highest Peak Demands (as such term is described in the Service Tariff) in any calendar year is less than 90% of the Customer's Contract Demand in such calendar year, for reasons other than Force Majeure, the Authority may reduce the Contract Demand in accordance with the procedures provided in Section III.5 of this Schedule B. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average of the six (6) highest Peak Demands for in such calendar year divided by the Contract Demand. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

4. Additional Compliance Action

In addition to the Authority's other rights and remedies provided in this Agreement, the Service Tariff and the Rules, the Authority may suspend Electric Service to the Customer if the Customer fails to comply with the recordkeeping and reporting requirements contained in Section II of this Schedule B and fails to cure such non-compliance within thirty (30) days following written notice of such non-compliance received from the Authority.

5. Notice of Intent to Reduce Contract Demand

Before implementing any reduction, the Authority will consider the Customer's scheduled or unscheduled maintenance, technological advances, including production improvements, facility upgrade periods, and the business cycle, and any other relevant factors offered by the Customer. In the event that the Authority determines that the Contract Demand will be wholly or partially reduced pursuant

to Sections III.1, III.2, or III.3 of this Schedule B, the Authority shall provide the Customer written notice of the approved reduction following Trustee approval. The Customer will be provided with sixty (60) days to present to the Authority a proposed plan with actionable milestones to cure the compliance deficiency. The Authority shall respond to the Customer concerning the acceptability of any proposed plan that is provided in accordance with this Section III.5 within thirty (30) days of the Authority's receipt of such proposed plan. It shall be within the Authority's discretion whether or not to accept the Customer's proposed plan, require a different plan, or implement the reduction of the Contract Demand after the Authority's response to the Customer's proposed plan. The Authority will suspend such reduction and restore Customer's Contract Demand within a reasonable time upon Customer's successful cure of the deficiency.

APPENDIX TO SCHEDULE B

BASE EMPLOYMENT LEVEL

During the course of each calendar year during the Base Term of this Agreement (a "Reporting Year"), the Customer shall employ at least 500 full-time employees ("Base Employment Level") at the Facility, subject to the 90% compliance threshold as further detailed in Sections I.2 and III of Schedule B. Subject to the terms hereof, the Customer shall maintain the Base Employment Level for the Base Term of the Allocation and any Extended Term(s) authorized herein.

CAPITAL INVESTMENT COMMITMENTS

1. **Annual Capital Investment Commitment** (if applicable, as specified below)

   a. Each Reporting Year, the rolling average of the annual capital investments made by the Customer at the Facility ("Rolling Average") shall total not less than $3 million (the "Annual Capital Investment Commitment"). For purposes of this provision, "Rolling Average" means the three-year average comprised of (1) the total amount of capital investments ("Annual CI Expenditures") made by the Customer at the Facility during the current Reporting Year, and (2) the Annual CI Expenditures made by the Customer at the Facility during the two prior Reporting Years. The first Reporting Year for the Annual Capital Investment Commitment shall be calendar year 2027, and such initial report shall consider the Rolling Average for the period 2025-2027. In total, the Customer is required to invest at least $30 million for the Base Term of the Agreement.

   b. Each year, the Customer shall record its Annual CI Expenditures for purposes of enabling the Authority to determine and verify the Rolling Average, which shall be provided to the Authority in a form specified by the Authority on or before the last day of February following the end of the most recent calendar year.

   c. If the Customer's Rolling Average is less than 90% of its Annual Capital Investment Commitment for the Reporting Year, the Contract Demand may be reduced by the Authority in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the Rolling Average divided by the Annual Capital Investment Commitment. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

   d. The Customer shall have the option, at its sole discretion, to extend the Agreement for two separate five-year terms (Extended Term(s)) if specified capital investment requirements are met. The table below states the capital investments that Customer shall make to exercise the option for Extended Term(s):

      i. The Customer is required to invest at least $70,000,000 in accordance with the amounts and terms set forth in the following table by the end of 2035 in order for the first Extended Term to be offered.

      ii. Customer is required to invest at least $130,000,000 in accordance with the amounts and terms set forth in the following table by the end of 2040 in order for the second Extended Term to be offered.

Term	Calendar Years	Capital investment commitment	Additional capital investment needed to trigger extensions	Total capital investment needed to trigger extensions
Base Term Annual Rolling Average	2026	$ 3,000,000		
	2027	$ 3,000,000		
	2028	$ 3,000,000		
	2029	$ 3,000,000		
	2030	$ 3,000,000		
	2031	$ 3,000,000		
	2032	$ 3,000,000		
	2033	$ 3,000,000		
	2034	$ 3,000,000		
	2035	$ 3,000,000		
Base Term Cumulative under Agreement	2025-2035	$ 30,000,000	$ 40,000,000	$ 70,000,000
First Extended Term (if applicable) Annual Rolling Average	2036	$ 3,000,000		
	2037	$ 3,000,000		
	2038	$ 3,000,000		
	2039	$ 3,000,000		
	2040	$ 3,000,000		
Base Term + First Extended Term (if applicable) Cumulative under Agreement	2025-2040	$ 45,000,000	$ 85,000,000	$ 130,000,000
Second Extended Term (if applicable) Annual Rolling Average	2041	$ 3,000,000		
	2042	$ 3,000,000		
	2043	$ 3,000,000		
	2044	$ 3,000,000		
	2045	$ 3,000,000		
Notes: Capital invested in 2025 counts towards (i) meeting 2025 CI commitment in 2020 Agreement (ii) the $70M target to unlock First Extended Term and (iii) the $130M target to unlock Second Extended Term. Given the $2M Rolling Average CI commitment in the 2020 Agreement, Alcoa would therefore need to invest $38M over calendar years 2025-2035 over and above its CI Commitment from the 2020 Agreement and the Agreement to trigger the First Extended Term, and to invest $45M more over calendar years 2025-2040 to trigger the Second Extended Term.				

SCHEDULE C

CLEAN ENERGY STANDARD CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in the Service Tariff No. AL-2, or in the Rules.

"Alternative Compliance Payment" means a form of payment of money by an LSE that is authorized by the State in law, regulation, or Regulatory Order as a mechanism for an LSE to satisfy an Annual LSE Obligation.

"Annual LSE Obligation" means the annual obligation of an LSE to purchase Credits or undertake other compliance measures that are authorized in law, regulation, or Regulatory Order for a State Energy Standard.

"CES Order" means the Order issued by the Public Service Commission entitled "Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing the CES Order or the CES.

"Clean Energy Compliance Measures" is a collective reference to Zero Emission Credit Requirement Compliance Measures, Renewable Energy Standard Compliance Measures, Offshore Wind Energy Standard Compliance Measures, Energy Storage Program Compliance Measures, and any other compliance measures that an LSE is authorized by law, regulation or Regulatory Order to undertake in order to meet an Annual LSE Obligation.

"Clean Energy Standard" or "CES" means the Clean Energy Standard adopted by the State, as may be amended from time to time.

"Credit" means a certificate or other claim to the environmental attributes associated with energy produced by or from qualifying resources that typically represents proof that one megawatt-hour (1 MWh, or 1000 kilowatt-hours) of qualifying electricity was generated and delivered to the power grid, provided that, in the case of an ISC, the ISC represents one MWh of energy storage capacity that is operational and available on a given day. A Credit includes but is not limited to a ZEC, REC, ISC, and OREC.

"Energy Storage Order" means the Order of the Public Service Commission, entitled "Order Establishing Updated Energy Storage Goal and Deployment Policy," in Case No. 18-E-0130, and includes all subsequent orders amending, clarifying and/or implementing the Energy Storage Order.

"Energy Storage Program Compliance Measures" means the purchase of ISCs from NYSERDA, the Authority's procurement of ISCs or energy storage capacity by Self-Supply; and any other compliance measures that an LSE is authorized by law, regulation, or Regulatory Order to undertake for the purpose of satisfying an Annual LSE Obligation for the Energy Storage Program.

"Energy Storage Program" means the Energy Storage Program as set forth in the Energy Storage Order.

"Index Storage Credit" or "ISC" refers to a qualifying Index Storage Credit as authorized by the State in law, regulation, or Regulatory Order.

"Load Serving Entity" has the meaning provided in the CES Order and generally refers to a utility or other entity that supplies load (electricity) to a consumer of electricity.

"Clean Energy Standard Charge" means the monthly charge to the Customer established in this Schedule C.

"NYSERDA" means the New York State Energy Research and Development Authority.

"Offshore Wind Energy Credit" or "OREC" refers to a qualifying Offshore Wind Energy Credit as authorized by the State in law, regulation, or Regulatory Order.

"Offshore Wind Energy Standard" means the Offshore Wind Energy Standard adopted by the State as may be amended from time to time.

"Offshore Wind Energy Standard Compliance Measures" means the purchase of ORECs from NYSERDA; the Authority's procurement of ORECs by Self-Supply; and any other compliance measures that an LSE is authorized by law, regulation, or Regulatory Order to undertake for the purpose of satisfying an Annual LSE Obligation for the Offshore Wind Energy Standard.

"Public Service Commission" or "PSC" means the New York State Public Service Commission.

"Regulatory Order" means an order issued by a regulatory agency or authority of the State of New York, and includes orders issued by the PSC. Regulatory Order includes, by way of example only, the CES Order and any other order of the PSC that establishes, supplements, modifies, or clarifies standards, requirements, obligations, or procedures for implementation of the State Energy Plan or a State Energy Standard, including the CES.

"Renewable Energy Credit" or "REC" refers to a qualifying renewable energy credit as authorized by the State in law, regulation, or Regulatory Order, including but not limited to Tier 1 and Tier 4 of the Clean Energy Standard.

"Renewable Energy Standard" or "RES" means the Renewable Energy Standard adopted by the State as may be amended from time to time.

"Renewable Energy Standard Compliance Measures" means the purchase of RECs from NYSERDA; the Authority's procurement of RECs by Self-Supply; Alternative Compliance Payments to NYSERDA; and any other compliance measures that an LSE is authorized by law, regulation, or Regulatory Order to undertake for the purpose of satisfying an Annual LSE Obligation for the Renewable Energy Standard.

"Self-Supplied Credit Charge" means a supplemental per-Credit charge or adder that the Authority adds to the cost of any Credit that it procures by Self-Supply for the purpose of: (1) enabling the Authority to recover administrative costs that it incurs in connection with the Self-Supply of Credits; and (2) managing risk in the cost of Credits over the term of any contract that serves as a source of Credits for Self-Supply, including but not limited to mitigating the extent of fluctuations in the cost of Credits that the Authority procures through Self-Supply.

"Self-Supplied Credit Cost" means the annual average per-Credit cost (including any applicable Self-Supplied Credit Charge) that the Authority establishes pursuant to Section II.3.b of Schedule C for any Credit that it procures by Self-Supply for the purpose of complying with any Annual LSE Obligation applicable to a State Energy Standard.

"Self-Supply" means the Authority's procurement of Credits from a source other than NYSERDA.

"State" means the State of New York.

"State Energy Plan" or "SEP" means the 2015 New York State Energy Plan as amended from time to time.

"State Energy Standard" refers to any standard or requirement that is adopted by the State in law, regulation, or Regulatory Order for the purpose of implementing State energy and environmental goals or policies, including goals and policies set forth in the State Energy Plan, that applies to the Authority, or with which the Authority determines it will comply. For purposes of this Agreement, State Energy Standard includes the Clean Energy Standard, Renewable Energy Standard, Zero Emission Credit Requirement, Offshore Wind Energy Standard, the Energy Storage Program including Energy Storage Program Compliance Measures, and any other standard or requirement adopted by the State in law, regulation, or Regulatory Order, in effect at the time of execution of this Agreement, or that is adopted after the execution of this Agreement and in effect during all or a portion of the term of this Agreement, that applies to the Authority, or with which the Authority determines it will comply.

"Total Monthly PP Load" has the meaning provided in Section II.3.c of this Schedule C.

"Total Monthly CE Compliance Costs" has the meaning provided in Section II.3.c of this Schedule C.

"Zero Emission Credit" or "ZEC" refers to a Zero Emission Credit as authorized by the State in law, regulation, or Regulatory Order.

"Zero Emission Credit Requirement Compliance Measures" means the purchase of ZECs from NYSERDA and any other compliance measures that an LSE is authorized by law, regulation, or Regulatory Order to undertake for the purpose of satisfying an Annual LSE Obligation for the Zero Emission Credit Requirement.

"Zero Emission Credit Requirement" means the Zero Emission Credit Requirement adopted by the State as may be amended from time to time.

II. CLEAN ENERGY STANDARD CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of the Service Tariff, or the Rules, the Customer shall be subject to a Clean Energy Standard Charge as provided for in this Schedule C and consistent with Section V.E of the Agreement. The Clean Energy Standard Charge is in addition to all other charges, fees and assessments provided in the Agreement, the Service Tariff and the Rules provided that: (i) the monthly REC component of the Charge shall not include any costs associated with the Authority's inability to recover REC charges from other Authority customers; and (ii) the effective monthly per-MWh REC component, (exclusive of all other charges, fees and assessments) averaged over the REC Program Year shall not exceed NYSERDA's then-applicable published REC price for that REC Program Year. By accepting Electric Service under the Agreement, the Customer agrees to pay the Clean Energy Standard Charge.

2. The Clean Energy Standard Charge is part of a compliance program ("Compliance Program") that the Authority has adopted for the purpose of administering the Preservation Power program in a manner that is consistent with the State Energy Plan, the CES, and other applicable State Energy Standards. Pursuant to the Compliance Program, the Authority will support State Energy Standards, including the preservation of at risk nuclear zero emission attributes, and the development of renewable energy resources and energy storage projects, to serve its Preservation Power program customers, through the implementation of various Clean Energy Compliance Measures that the Authority in its discretion determines are appropriate to enable the Authority to meet Annual LSE Obligations that have been established for each State Energy Standard that applies to the Authority, or with which the Authority determines it will comply. The purpose of the Clean Energy Standard Charge is to enable the Authority to recover costs and other charges as described herein that the Authority incurs for implementing Clean Energy Compliance Measures.

3. The Clean Energy Standard Charge will be determined and assessed consistent with Section V.E of the Agreement and imposed as follows:

   a. The Authority will, each calendar year, implement such Clean Energy Compliance Measures as the Authority determines in its discretion to be appropriate to meet the Annual LSE Obligation established for each State Energy Standard with respect to the load that the Authority serves under the PP program. The specific Clean Energy Compliance Measures that the Authority determines to use, and the amount or extent of each Clean Energy Compliance Measure taken in any calendar year to meet each Annual LSE Obligation shall be within the Authority's sole discretion.

   b. The Authority will, for each calendar year, establish a Self-Supplied Credit Cost for any Credits that it procures through Self-Supply that it will use to meet the applicable Annual LSE Obligation for each State Energy Standard for the calendar year. The Authority may, in its discretion, for any quarter in any calendar year, revise any such Self-Supplied Credit Cost established pursuant to this Section II.3.b for the purpose of addressing unanticipated circumstances that impact or that the Authority reasonably believes could impact the Authority's costs and risk exposure regarding Self-Supply. Any Self-Supplied Credit Cost so revised shall apply prospectively. The Authority will endeavor to obtain Self-Supply Credits when the Self-Supplied Credit Charge provides savings from what NYSERDA credits would otherwise cost.

   c. The Authority will, for each month of each calendar year in which it incurs costs for Clean Energy Compliance Measures, calculate the total costs that the Authority has incurred or estimates that it will incur for implementing the Clean Energy Compliance Measures ("Total Monthly CE Compliance Costs") for the purpose of meeting each Annual LSE Obligation for the total PP kilowatt-hour load delivered to PP customers for such month ("Total Monthly PP Load"). The Authority may calculate Total Monthly CE Compliance Costs on the basis of forecasts of the Total Monthly PP Load that the Authority expects to serve for the month, or on a lagged basis based on the actual Total Monthly PP Load that the Authority served for the month.

   d. Each month, the Authority will calculate a Clean Energy Standard Charge applicable to the Customer. The Clean Energy Standard Charge will represent the Customer's share of the Total Monthly CE Compliance Costs assigned to the Total Monthly PP Load assessed as the proportion of the Customer's total kilowatt-hour load served by the Authority for such month to the Total Monthly PP Load served by the Authority for such month.

4. The Authority may, in its discretion, include separate line items under the Clean Energy Standard Charge on the monthly bills for Electric Service as provided for in the Agreement or bill the Customer for the Clean Energy Standard Charge pursuant to another Authority-established procedure. In any case, the bill will indicate the amount of the Clean Energy Standard Charge that is attributable to compliance with each Annual LSE Obligation.

5. The Authority will, at the conclusion of each calendar year in which it assesses a Clean Energy Standard Charge, conduct a reconciliation process based on the actual costs it incurred for Clean Energy Compliance Measures taken (other than Credits procured through Self-Supply), and the actual load served for the year, compared with cost or load estimates or forecasts, if any, that the Authority used to calculate the Clean Energy Standard Charge during the year. The Authority will issue a credit, or an adjusted final charge for the year, as appropriate, based on the results of such reconciliation process. Any such final charge shall be payable within the time frame applicable to the Authority's bills for Electric Service under this Agreement or as provided for in any other procedure established by the Authority pursuant to Section II.4 of this Schedule C.

6. Nothing in this Schedule C shall limit or otherwise affect the Authority's right to charge or collect from the Customer, any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff or the Rules.

7. Inclusion in this Agreement of a non-exhaustive list of examples that fall within the definition of Credits, Clean Energy Compliance Measures, or State Energy Standards shall not be interpreted to effect the use or non-use of such examples in other agreements of the Authority.

III. ALTERNATIVE CES COMPLIANCE PROGRAM

1. Nothing in this Schedule C shall be construed as preventing the Parties from entering into other written agreements for alternative arrangements to enable the Authority to meet any Annual LSE Obligation with respect to the Customer's allocation, including alternative compliance programs and cost allocation mechanisms, in lieu of the Clean Energy Standard Charge established in this Schedule C.

POWER AUTHORITY OF THE STATE OF NEW YORK

30 SOUTH PEARL STREET

ALBANY, NY 12207

Electric Service Tariff for Alcoa USA Corp.
Firm Hydroelectric Power Service

Service Tariff No. AL-2

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Schedule of Rates for Firm Hydroelectric Power Service

I. Applicability

This Service Tariff is applicable to the sale of Firm Hydroelectric Power and Energy produced by the Authority's St. Lawrence-FDR Project to Alcoa USA Corp. ("Alcoa" or "Customer"), for the Base Term and any authorized Extended Term(s) as provided for in the Agreement.

II. Frequently Used Abbreviations and Terms

- kW — kilowatt(s)
- kWh — kilowatt-hour(s)
- MWh — megawatt-hour(s)
- NYISO — New York Independent System Operator, Inc. or any successor organization
- OATT — NYISO Open Access Transmission Tariff
- PAL — New York Public Authorities Law
- UCAP — Unforced Capacity

Agreement: The Agreement entitled "Agreement for the Sale of Firm Hydroelectric Power and Energy from the St. Lawrence-FDR Power Project to Alcoa USA Corp."

Authority: The Power Authority of the State of New York, a corporate municipal instrumentality and a political subdivision of the State of New York created pursuant to Chapter 772 of the New York Laws of 1931 and existing and operating under Title 1 of Article 5 of the PAL.

Base Term: This term has the meaning provided for in the Agreement.

Billing Energy: This term has the meaning provided for in Section III.F.1 of this Service Tariff.

Billing Period: Any period of approximately thirty (30) days, generally ending with the last day of each calendar month but subject to the billing cycle requirements.

Contract Demand: This term has the meaning provided for in the Agreement.

Electric Service: This term has the meaning provided for in the Agreement.

Extended Term(s): This term has the meaning provided for in the Agreement.

Firm Hydroelectric Power and Energy: This term has the meaning provided for in the Agreement.

Floor Energy Rate: This term has the meaning provided for in Section III.A.3 of this Service Tariff.

London Metal Exchange or **LME Price:** The LME Price to be used in the calculation of the Monthly Energy Rate for a particular month (M) shall be the Official London Metal Exchange Aluminum High Grade Cash Settlement daily average price for the prior month (M-1) (in $USD/tonne), as published by the London Metal Exchange.

Load Serving Entity or **LSE:** This term has the meaning provided for in the Agreement.

Load Factor: The consumption utilization rate of the customer's total load within each Billing Period. It is determined by dividing the total energy (kWh) consumed within the Billing Period, by the product of Peak Demand (kW) multiplied by the number of hours within the same Billing Period.

Load Factor Share: The methodology used to determine firm hydroelectric Billing Energy share of the total load as further described in Section III.F.1 of this Service Tariff.

Midwest Aluminum Premium: Midwest U.S. Premium price published by Platt's Metals Week. For purpose of clarity, the Midwest Aluminum Premium published by Platt's Metals Week will not be utilized when establishing the LME Price nor for any other purposes under this Tariff or the Agreement.

Minimum Monthly Capacity Charge: This term has the meaning provided for in Section III.D.1 of this Service Tariff.

Monthly Energy Rate: This term has the meaning provided for in Section III.A.1 of this Service Tariff.

NYISO Tariffs: This term has the meaning provided for in the Agreement.

Peak Demand: The highest coincident sixty (60) minute integrated demand of the total load measured during the Billing Period and expressed in kW.

Preference Power Rate: The cost-based rate as approved by the Authority's Board of Trustees and as modified from time to time by the Authority and charged to the Authority's Preference Power Customers that include public bodies, nonprofit cooperatives, municipalities and other political subdivisions of the State of New York that are entitled to preference power under the federal Niagara Redevelopment Act, and other public bodies that qualify for preference power under Section 1005(5) of the New York Public Authorities Law.

Project: This term has the meaning provided for in the Agreement.

Rules: This term has the meaning provided for in the Agreement.

Service Tariff: This service tariff, denominated as "Electric Service Tariff for Alcoa USA Corp. Firm Hydroelectric Power Service, Service Tariff No. AL-2," as amended from time to time by the Authority.

Substitute Energy: This term has the meaning provided for in the Agreement.

Taxes: This term has the meaning provided for in Section III.D.2 of this Service Tariff.

Term: This term has the meaning provided for in the Agreement.

Transmission Service Charge or **TSC:** This term has the meaning provided for in the Agreement.

Unforced Capacity or **UCAP:** This term has the meaning provided for in the Agreement.

Additional terms are defined in the text of this Service Tariff. Unless otherwise indicated, all other capitalized terms and abbreviations used but not defined in this Service Tariff shall have the meaning as set forth in the Agreement.

In the event that publication of any index price utilized in this Tariff, including the LME Price is discontinued or the methodology for determination thereof is substantially revised, the Parties will meet and discuss in good faith the amendment of the Service Tariff by substitution of an alternative index or other alternative means of determination of pricing most closely approximating their original intent.

III. Rates and Related Matters

A. Rates

1. Subject to the other provisions of this Service Tariff, the monthly energy rate in $/MWh that the Authority will charge to the Customer ("Monthly Energy Rate") shall be calculated using the LME Price according to the following formula:

$$\left(1.75 * \left(\frac{\text{LME Price}}{100}\right)\right) - 13.65$$

2. The Monthly Energy Rate will be calculated each month using the formula in Section III.A.1 based on the LME Price. However, in the event that such calculation yields a result which is lower than the Floor Energy Rate, then the Monthly Energy Rate for such month shall be the Floor Energy Rate as defined in Section III.A.3.

3. The floor energy rate ("Floor Energy Rate") shall be the Preference Power Rate in $/MWh, using a Load Factor of 98%. The Preference Power Rate for preference power customers is a cost-based rate, and no customer may pay less than this rate. Accordingly, the Floor Energy Rate may not be lower than the Preference Power Rate, at a 98% load factor, with charges rounded up to the nearest whole dollar.

4. There is no ceiling on the Monthly Energy Rate.

B. NYISO Transmission and Related Charges ("NYISO Charges")

1. The Customer shall compensate the Authority, without mark-up, for the following NYISO Charges assessed on the Authority for services provided by the NYISO pursuant to the NYISO Tariffs associated with providing Electric Service to the Customer:

a. Charges for OATT Rate Schedules 1 through 9 and any new ancillary services and/or rate schedules as incurred by the Authority in accordance with the NYISO Tariffs;

b. Transmission Usage Charges ("TUC") which are Marginal Losses and Congestion costs as provided for in the NYISO Tariffs;

c. The New York Power Authority "Transmission Adjustment Charge" or "NTAC" as provided for in the NYISO Tariffs;

d. NYISO wide uplift as provided for in the NYISO Tariffs;

e. All transmission costs incurred by the Authority with respect to providing Electric Service to the Customer, including such costs that are charged pursuant to the NYISO Tariffs. The Authority will charge the Customer for Transmission Service Charge ("TSC") as defined in the Agreement as a full pass-through cost;

f. All other charges, assessments, or other amounts associated with delivery of Firm Power and Energy sold to the Customer by the Authority that the Authority incurs under the provisions of the NYISO Tariffs; and

g. Any charges that the Authority incurs from the NYISO or third-party with respect to the provision of Electric Service to the Customer for facilities needed to maintain reliability and required by the NYISO's Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law.

2. The NYISO Charges, if any, incurred by the Authority on behalf of the Customer, under Section III.B.1 are in addition to the Monthly Energy Rate and Clean Energy Standard Charge that are charged to the Customer in accordance with other provisions of the Agreement.

3. The method of billing NYISO Charges to the Customer will be at the Authority's sole discretion.

C. Transmission Charges

See Section III.B.1 above.

D. Other Charges

The Monthly Energy Rate does not reflect any of the charges discussed in this Section III.D (collectively, "Other Charges"). The Customer shall be responsible for payment of such Other Charges as a separate charge from the Monthly Energy Rate to the extent they apply to the Customer.

1. Minimum Monthly Capacity Charge

If in any given month the Customer's monthly Peak Demand (kW) is less than the UCAP, the Customer shall be subject to a minimum monthly capacity charge equal to the difference between the Customer's monthly Peak Demand (kW) and the UCAP as expressed by the NYISO for the applicable month, times the applicable NYISO locational capacity spot auction market rate ("Minimum Monthly Capacity Charge").

Such Minimum Monthly Capacity Charge shall be in addition to all other charges provided for in this Service Tariff, including but not limited to, charges included in the Monthly Energy Rate and NYISO Charges as provided for in this Service Tariff.

2. Taxes

The Authority will charge and collect from the Customer all local, state and federal taxes, assessments or other charges mandated by local, state or federal agencies or authorities that are levied on the Authority and that the Authority is required to collect from the Customer ("Taxes") if and to the extent such Taxes are not recovered by the Authority pursuant to another provision of this Service Tariff.

3. Curtailments and Substitute Energy

Firm Power and Energy is subject to curtailment as provided for in the Agreement. The Authority shall provide Substitute Energy to the Customer, and the Customer shall pay the Authority for Substitute Energy, in accordance with the terms of the Agreement.

E. New Charges

The Customer shall be responsible for payment of any and all new third-party charges required by laws or regulations and incurred by the Authority and attributable to its provision of Electric Service to the Customer, including but not limited to, charges and costs incurred for supplying Firm Hydroelectric Power and Energy, any new NYISO Charges as may be defined and applied in any NYISO Tariffs, NYISO-related agreements and NYISO procedures from time to time (collectively, "New Charges"). The Authority, in its sole discretion, may bill the Customer for such New Charges. The method of such billing will be at the Authority's sole discretion.

F. Billing and Billing Methodology

Unless otherwise specified in the Agreement, the following provisions will apply:

1. Billing Energy

The kilowatt-hours (kWh) charged by the Authority to the Customer will be based on the Load Factor Share of the total number of kilowatt-hours recorded on the Authority's revenue grade meters for the Billing Period as follows.

- If the Peak Demand is higher than the Contract Demand in a given month, the Billing Energy shall be equal to the product of the Contract Demand multiplied by the Load Factor and number of hours in the Billing Period.
- If the Peak Demand is less than the Contract Demand, the Billing Energy shall be equal to the total number of kilowatt-hours recorded on the Authority's revenue grade meters for the Billing Period.

2. Scheduling and Settlements of Load

Each hour the Authority will schedule the Customer's load for the full Contract Demand. Any scheduled hydro energy that the Customer does not consume is sold by NYPA into the NYISO wholesale market as balancing energy and therefore shall not be reflected on the Customer's bill. The Customer is encouraged to voluntarily provide an hourly load schedule each month to the Authority. The Customer is required to provide any planned or unplanned outage information to the Authority in a timely manner as follows: the Customer shall provide a minimum of three (3) business days' notice to the Authority when planned load reductions greater than five (5%) percent of the Contract Demand are to occur in excess of a one-hour interval. The Customer is required to provide any unplanned outage information in excess of a one-hour interval to the Authority within no less than three (3) business days of the occurrence. The Authority and Customer shall cooperate in scheduling loads to account for the Customer's participation in any NYISO demand energy response ("DER") programs to the extent applicable for any behind the meter impacts on the LSE load.

3. Market Purchases

If in any given hour during a Billing Period the Customer's load requirements exceed the Customer's Contract Demand (reported by the NYISO as balancing energy purchase transactions), the Authority shall bill Customer for such purchases without mark-up as set forth in the Agreement. Any costs NYPA incurs with respect to market purchases under Section III.B shall be passed through to the Customer without mark-up.

4. Estimated Billing

If the Authority, in its reasonable discretion, determines that it lacks reliable data on the Customer's actual energy usage for a Billing Period during which the Customer receives electric service from the Authority, the Authority shall have the right to render a bill to the Customer for such Billing Period based on estimated usage ("Estimated Bill").

For the purpose of calculating an Estimated Bill, the Billing Energy used in the rate charge calculation shall be equal to the Contract Demand (kW) amount as defined in the Agreement at ninety-eight (98) percent load factor for that Billing Period.

If data indicating the Customer's actual usage for any Billing Period in which an Estimated Bill was rendered subsequently becomes available to the Authority, the Authority will make necessary adjustments to the corresponding Estimated Bill in accordance with Section III.G.1 of this Service Tariff and, as appropriate, render a revised bill (or provide a credit) to the Customer.

The Authority's discretion to render Estimated Bills is not intended to limit the Authority's rights under the Agreement or otherwise regarding metering arrangements.

G. Adjustments to Charges

1. Billing Adjustments

In addition to any other adjustments provided for in this Service Tariff, in any Billing Period, the Authority may make appropriate adjustments to billings and charges to address such matters as billing and payment errors, the receipt of actual, additional, or corrected data concerning Customer energy usage.

2. Power Factor

For service provided under this and any other Service Tariff or agreement Customer shall maintain not less than ninety-seven and one-half percent (97.5%) power factor at the point of delivery. The Customer's Peak Demand under this Service Tariff will be increased one-half percent (1/2%) for each one-half percent (1/2%) by which the average power factor at which energy is supplied during such Billing Period is less than ninety-seven and one-half percent (97.5%). Average power factor will be computed to the nearest one-half percent (1/2%) according to the following formula:

$$Average\ Power\ Factor = \frac{kWh}{\sqrt{kWh^2 + kvar\ h^2}}$$

The data used in the above formula shall be obtained from meters which are ratcheted to prevent reverse registration.

3. Adjustment for Transformer Losses

If delivery is made at a transmission voltage but metered on the low-voltage side of Customer's substation, the meter readings will be increased by two percent (2%) to compensate for transformer losses; provided, however, that this percentage may be reduced to reflect improvements in loss rates should new transformers be put in use at Customer's plants.

H. Adjustment of Rates

The rates provided for in this Service Tariff may be revised from time to time as expressly provided for in the Agreement and this Service Tariff.

IV. General Provisions

A. Character of Service

Alternating current; 60 hertz, three-phase.

B. Firm Power Service

Firm Hydroelectric Power and Energy under this Service Tariff are hydropower and associated energy intended to be available at all times except for limitations provided in the Agreement, the Rules and this Service Tariff.

C. Availability of Energy

The Authority shall provide to the Customer in any Billing Period Firm Hydroelectric Power and Energy up to the Allocation, subject to the limitations provided for in the Agreement, the Rules and this Service Tariff.

D. Delivery

For the purpose of this Service Tariff, power shall be deemed to be offered when the Authority is able to supply power and NYISO transmits it to its designated points of interconnection with the Customer's transmission agent(s). If, despite such offer, there is a failure of delivery by the Customer or the transmission agents(s), such failure shall not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules.

E. Electrical Fluctuations

The power and energy taken hereunder shall not be used in such a manner as to cause unusual fluctuations or disturbances on Authority's systems, facilities and assets. Customer shall provide, at its expense, suitable apparatus which will reasonably limit such fluctuations. In the event that unreasonable fluctuations or disturbances, including without limitation harmonic currents resulting in actionable interference with communications systems or in harmonic resonance of now existing facilities, are caused by Customer's facilities, Authority shall immediately notify Customer of the circumstances and Authority shall then have the right to discontinue the delivery of power and energy under this contract upon thirty (30) days' prior written notice until conditions causing such fluctuations or disturbances are corrected by Customer. Despite such discontinuance of service Customer shall be obligated to pay the amounts due for Electrical Service under this Service Tariff.

F. Rendition and Payment of Bills

1. The Authority will render bills to the Customer for Electric Service on or before the twentieth (20^{th}) calendar day of the month for charges due for the previous Billing Period. Bills will reflect the amounts due and owing, and are subject to adjustment as provided for in the Agreement, this Service Tariff and the Rules. Unless otherwise agreed to by the Authority and the Customer in writing, the Authority shall render bills to the Customer electronically.

2. Payment of bills by the Customer shall be due and payable by the Customer by the first day of the following month of the date the Authority renders the bill. Payment of bills by the Customer shall be paid through the means as directed on the bill.

3. Except as otherwise agreed by the Authority in writing, if the Customer fails to pay any bill when due, an interest charge of two percent (2%) of the amount unpaid will be added thereto as liquidated damages. Thereafter, as further liquidated damages, an additional interest charge of one and one-half percent (1.5%) of the sum unpaid shall be added on the first day of each succeeding Billing Period until the amount due, including interest, is paid in full.

4. Unless otherwise agreed to by the Authority and the Customer in writing, in the event the Customer disputes any item of a bill rendered by Authority, the Customer shall pay such bill in the time provided for by this Agreement, and adjustments, if necessary, will be made thereafter.

5. If at any time after commencement of Electric Service the Customer fails to make complete payment of any two (2) bills for Electric Service when such bills become due pursuant to Agreement, the Authority shall have the right to require that the Customer deposit with the Authority a sum of money, or provide an irrevocable standby letter of credit, which may be presented for draw at a location in New York State, issued for benefit of the Authority by a bank having a Standard and Poor's long-term issuer rating of "A" or better, or an equivalent rating by Moody's, or Fitch's, and acceptable to the Authority in its reasonable discretion, in either case in an amount equal to all charges that would be due under this Agreement for Electric Service for two (2) consecutive calendar months as estimated by the Authority. Such deposit or standby letter of credit will be deemed security for the payment of unpaid bills. The failure or refusal of the Customer to provide the deposit or standby letter of credit within thirty (30) days of a request made by the Authority consistent with this paragraph will be grounds for the Authority in its sole discretion to suspend Electric Service to the Customer or terminate the Agreement and the Allocation.

G. Conflicts

In the event of any inconsistencies, conflicts or differences between the provisions of the Service Tariff and the Rules, the provisions of the Service Tariff shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of the Agreement and the Service Tariff or the Rules, the provisions of the Agreement shall govern.

EXHIBIT 2
RULES

N.Y. Comp. Codes R. & Regs. tit. 21
Chapter X. Power Authority of the State of New York

Part 454. Power Service

Section 454.1. Definitions Section
Section 454.2. Sale of Authority Power Section
Section 454.3. Liability, Limitations and Conditions of Service Section
Section 454.4. Metering Section
Section 454.5. Cooperation of Contracting Parties Section
Section 454.6. Billings and Payments Section
Section 454.7. Cancellation for Violation by Customer Section
Section 454.8. Waivers Section
Section 454.9. Notices Section
Section 454.10. Transfer of Interest in Contract by Customer Section
Section 454.11. Resale of Electric Power and Energy Section
Section 454.12. Modification or Merger of Rates

21 NYCRR 454.1
Section 454.1. Definitions

The following definitions shall apply for all the purposes of this Part and of the service tariff and applications for electric service pertaining thereto:

(a) **Authority** is Power Authority of the State of New York.

(b) **Customer** is an individual, firm, partnership, corporation, association, rural electric cooperative corporation, municipality, or governmental body receiving electric service from authority.

(c) **Electric service** is availability of any type of power and energy for customer in accordance with this Part, accepted applications for electric service, applicable service tariffs and other contract documents.

(d) **Application for electric service** is a written request for the furnishing of electric service to customers by authority on a form prescribed by authority.

(e) **Service tariff** is a schedule establishing rates and other conditions for sale of electric service.

(f) **Firm power and energy** are power and associated energy which are intended to be available at all times except for limitations provided in this Part, in a service tariff, in an accepted application for electric service, or other contract documents.

(g) **Peaking power and energy** are firm power and energy intended for use primarily in customer's peak load periods and limited as to the energy to be supplied.

(h) **Firm storage power and energy** are power and associated energy produced with water stored in an authority pumped-storage facility or power and energy supplied in lieu thereof, to be available as provided in a service tariff, or other contract documents.

(i) **Nonfirm storage power and energy** are power and associated energy produced with water stored in an authority pumped-storage facility of intermittent or temporary availability the supply of which will be limited as provided in a service tariff or in other contract documents.

(j) **Pumping power and energy** are power and associated energy supplied by customer or by authority for use in pumping water into an authority pumped-storage facility.

(k) **Interruptible hydro power and energy** are power and associated energy from authority's St. Lawrence or Niagara project which are normally available continuously for substantial periods of time but subject to interruption for extended periods because of decreased water flow.

(l) **Replacement power** is Niagara project firm power made available by authority to Niagara Mohawk Power Corporation pursuant to Public Law 85-159 to replace power formerly produced by Niagara Mohawk Power Corporation in its Adams and Schoelkopf plants, sales of which are subject to approval by authority.

(m) **Expansion power** is firm power supplied from the Niagara project or substituted from other sources to utility customers for resale to industrial consumers which authority shall individually designate for use in the expansion of their operations, the amounts of each allocation to such consumers to be determined by authority.

(n) **Priority customers** are:

(1) exempt persons as defined in 26 U.S.C. 103(c)(3); and

(2) entities entitled to preference under 16 U.S.C. 836(b)(1). **High load factor manufacturers** as defined in subdivision (o) of this section are priority customers to the extent provided in sections 1001 and 1005 of the Power Authority Act as amended (title 1, article 5 of the Public Authorities Law).

(o) **High load factor manufacturer** is an industrial establishment which normally utilizes a minimum electric demand of 5,000 kilowatts and which will normally utilize energy at the rate of approximately 540 kilowatt-hours per month for each kilowatt of demand and of which the cost of electricity normally represents at least 7 1/2 percent of its total product value.

(p) **Billing period** shall be the calendar month except as otherwise specified in a service tariff or other contract document.

(q) **Contract demand** is the maximum amount of power which authority is obligated to supply under an accepted application for electric service or service tariff or other contract document.

(r) **System capability** is capacity available to authority from its own generating sources and from firm power purchases from others.

(s) **Unsupported firm power and energy** are power and associated energy normally supplied only to customers operating electric utility distribution systems, the customer to be responsible for providing substitute power and energy in the event of interruptions or reduction in authority supply.

(t) **Withdrawable power and energy** are power and associated energy not currently required for service to priority customers and subject to withdrawal for such service.

(u) **Supporting energy** is energy purchased by authority for use when it is unable to meet contractual commitments because of lack of availability of necessary power and energy from its system capability.

(v) **Reserve power** is that part of the authority's system capability which is reserved from sale for the purpose of assuring authority's ability to meet its contractual commitments for firm power and energy in conjunction with interconnected utility systems as contemplated by 26 U.S.C. 103(c)(3).

(w) **Reserve energy** is energy associated with reserve power and normally sold on an immediately withdrawable basis to utilities which contract to provide supporting energy to authority.

(x) **Residual power and energy** are power and associated energy available on a temporary basis from authority generating sources or purchases in excess of authority requirements.

Credits

Sec. filed June 24, 1976.

21 NYCRR 454.2
Section 454.2. Sale of authority power

(a) *Applications for authority power.* Applications for authority power pursuant to an appropriate service tariff or other contract document will be entertained by authority at any time, and insofar as they meet the qualifications established for the class of power to be marketed, will be considered individually as received, provided that authority may consider two or more applications at one time without reference to order of application.

(b) *Process and approval of applications.* Applications are subject to public hearings and other procedural requirements pursuant to section 1009 of the Public Authorities Law, as amended from time to time.

(c) *Power in excess of contractual requirements.* Power and energy in excess of authority's contractual requirements and not needed for any other authority purposes will be made available to authority customers from time to time under the provisions of applicable service tariffs or other contract documents.

Credits

Sec. filed June 24, 1976.

21 NYCRR 454.3
Section 454.3. Liability, limitations and conditions of service

(a) Authority will endeavor at all times to provide a regular and uninterrupted supply of service, or such other character of service as specified in the application for electric service, the applicable service tariff, or other contract documents, but in case the supply of service shall be interrupted, or irregular or defective or fail from interruptions or reductions as such terms are described in subdivisions (b) and (c) of this section, or through ordinary negligence of employees, servants or agents, authority will not be liable therefor.

(b) *Continuity of electric service to be furnished.*

(1) The electric service, except as otherwise specified in the application for electric service, the applicable service tariff or other contract documents will be furnished continuously except:

(i) for interruptions or reductions due to uncontrollable forces, as defined in this section;

(ii) for temporary interruptions or reductions which, in the opinion of the authority, are required for power system protection or for providing temporary emergency assistance to interconnecting systems; and

(iii) for temporary interruptions or reductions, which, in the opinion of authority, are necessary or desirable for the purpose of maintenance, repairs, replacements, installation of equipment, or investigation and inspection.

Authority, except in case of emergency as determined by it, will give the customer reasonable advance notice of such temporary interruptions or reductions and will exercise due diligence to remove the cause thereof.

(2) The authority operates its generating and transmission facilities as a system and to the extent it determines feasible will utilize power and energy produced at any of its generating plants or purchased from others to satisfy its obligations to any of its customers. This provision shall not be construed to require the authority to utilize such power and energy referred to in the preceding sentence to avoid interruptions of service of the types referred to in paragraph (1) of this subdivision unless the customer agrees to pay the difference between the rate charged for the power and energy interrupted and the rate charged by authority for the charges incurred by authority, including any transmission.

(c) *Uncontrollable forces.* Neither customer nor authority shall be considered to be in default in respect to any obligation under any accepted application for electric service, service tariff, or other contract

document, if prevented from fulfilling such obligation by reason of uncontrollable forces, the term being deemed to mean any cause beyond the control of the party affected, including but not limited to failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, war, riot, civil disturbance, strike and sabotage or restraint by court or public authority, which by exercise of due diligence and foresight such party could not reasonably have been expected to avoid. The party rendered unable to fulfill any obligation by reason of uncontrollable forces shall exercise due diligence to remove such inability with all reasonable dispatch.

(d) *Service beyond authority obligation.* Customer may from time to time, in the absence of objection by authority, take power under any service tariff or other contract document at rates of power delivery greater than the contract demand in effect for such service or take energy in amounts greater than the amounts which authority is obligated to supply, but such greater takings shall not be deemed to establish in customer any right thereto and customer shall cease such greater takings whenever and for the periods of time requested by authority.

(e) *Transmission by authority over the facilities of others.* Where authority transmits power and energy to customer over the facilities of others, the obligation of authority to furnish the power and energy shall be subject to and contingent on the existence of an arrangement granting authority the right to use such facilities. The power and energy will be provided at the voltage available and under the conditions which exist from time to time on the system or systems over whose facilities the power and energy are transmitted. The points on the customer's system to which the power and energy are to be transmitted shall be agreed upon by customer and authority. Authority will endeavor to inform customer from to time to time of any significant changes contemplated on a system over which transmission is made if not authority's, and the added costs to customer resulting from such changes, but the costs of any changes made necessary in customer's system because of changes or conditions on such system shall not be a charge against or a liability of authority, provided, that if customer, because of changes or conditions on a system over which transmission is made if not authority's, is subjected to the necessity of making changes on its system at its own expense in order to continue receiving service, or if the electric service requirements of customer, to the extent that authority is obligated or determines that it can become obligated to furnish such requirements, are not being met, or if authority advises customer that such requirements cannot be met, because of an insufficiency of transmission capacity available to authority under its transmission arrangement in the facilities of others over which power and energy are supplied, then customer may terminate service as provided in the applicable service tariff or other contract documents.

(f) *Delivery and service over the facilities of others.* Where delivery of power and energy (as distinguished from transmission) is carried out through the systems of others, the utility which makes delivery will receive the power and energy from the authority at connecting points agreed upon by authority and the utility. The utility will use its system to make delivery in the same manner it uses such system to make delivery to its own customers. It will also provide service in connection with such delivery as mutually agreed upon by the utility and the authority. The obligation of authority to furnish power and energy shall be subject to and contingent on the existence of an arrangement between authority and the utility. The power and energy will be provided to customer at the voltage available and under the conditions which exist from time to time on the system from whose facilities the power and energy are delivered. Authority will endeavor to inform customer from time to time of any significant changes contemplated on the system from which delivery is made, but the costs of any changes made

necessary in customer's system, because of changes or conditions on that system, shall not be a charge against or a liability of authority. However, if changes are necessitated in the utility's system for the benefit of the authority's customers, it will be done at the customer's expense or a compensating increase in the rate charged by the utility for delivery, and service will be made as provided for under the terms of authority's agreement with the utility providing delivery and service. If customer, because of changes or conditions in the system from which delivery is made, is subjected to the necessity of making changes in its facilities at its own expense in order to continue receiving delivery and service, or if the electric service requirements of customer to the extent that authority is obligated, or determines that it can become obligated to furnish such requirements

are not being met, or if authority advised customer that such requirements cannot be met because of an insufficiency of system capacity of the utility providing delivery and service to authority under its arrangement with the utility, then customer may terminate or obtain modification of its agreement with authority.

(g) *Applicable laws, licenses and directives.* All applicable provisions of licenses, permits, approvals or orders issued to the authority by any State or Federal agency and all applicable provisions of Federal and State statutes, including Federal Power Act, Atomic Energy Act, National Environmental Policy Act, Federal Water Pollution Control Act and Power Authority Act of the State of New York (title 1 of article 5 of the Public Authorities Law, chapter 772 of the Laws of 1931, all as amended shall be deemed to be incorporated in and made a part of this Part.

Credits

Sec. filed June 24, 1976; amds. filed: Sept. 1, 1981; May 4, 1982 eff. May 4, 1982.

21 NYCRR 454.4
Section 454.4. Metering

(a) *Transmission metering.* Unless otherwise specified in the applicable service tariff or other contract documents, the total electric power and energy delivered to customer will be measured alone or in conjunction with deliveries to others by metering equipment to be furnished and maintained by authority. The meter or meters shall be sealed and the seals shall be broken only upon occasions when the meters are to be inspected, tested or adjusted, and representatives of customer shall be afforded reasonable opportunity to be present upon such occasions. The meter or meters shall be tested at least once each year by authority and at any reasonable time upon request therefor by either authority or customer. Any metering equipment found to be defective or inaccurate shall be repaired and readjusted or replaced. Should any meter fail to register, the electric power and energy delivered during the period of failure to register shall, for billing purposes, be estimated by authority from the best information available.

(b) *Delivery and service metering.*

(1) Where delivery and service (as distinguished from transmission) are carried out through the systems of others and by the personnel of others, the total electric power and energy, including reactive power and energy where authority deems appropriate, transmitted or delivered to a customer (as distinguished from transmitted over the facilities of others) will be measured by metering equipment and measuring devices to be furnished and maintained by either authority or the utility providing delivery and service. Seals on meters, meter equipment and associated equipment shall be broken only upon occasions when the meters and measuring devices are to be inspected, tested, or adjusted. No person, except a duly authorized and identified representative of authority or the utility providing delivery and service, shall be permitted to break or replace a seal or to alter or change a meter of its connections or location, except when wiring changes are being made by customer following receipt of appropriate specifications of authority or the utility providing delivery and service as to service supply. In such case, a qualified electrician may break the meter seal and remove and remount a meter when authorized to do so by authority and/or by the utility providing delivery and service, whichever seals such meter. Meters owned by the authority or the utility providing delivery and service shall be tested by authority or such utility providing delivery and service as mutually determined by them.

(2) Should any meter fail to register for any period of time, or if the actual power and energy usage cannot be measured because of inability to read a meter or other measuring device, the electric power and energy delivered during such period shall, for billing purposes, be estimated by authority from the best information available, and customer billed accordingly.

(3) Except as provided in this section, customer shall not permit access by anyone, except authorized representatives of authority or the utility providing delivery and service, to the meter equipment or any other property of authority or the utility providing delivery and service, and shall not interfere or permit interference with such equipment. Customer shall be responsible for their safekeeping on his premises. Duly authorized representatives of authority and the utility providing delivery and service shall have the

right to access to the premises of customer and to all appropriate property of authority or the utility providing delivery and service to all reasonable times for the purpose of reading and testing meters, inspecting equipment used in connection with its service, repairing, readjusting, or replacing defective or inaccurate meters, metering the demand, ascertaining and counting the connected load of customer's installation, removing its property, or any other purpose.

(c) *Meters errors.* If any of the meter tests provided for in this section discloses that the error of any meter or meters exceeds two percent correction based upon the inaccuracy found shall be made of the records of electric service furnished since the beginning of the monthly billing period immediately preceding the billing period during which the test was made; provided, that no correction shall be made for a longer period than such inaccuracy may be determined by authority to have existed. Any correction in billing resulting from such correction in meter records shall be made in the next monthly bill rendered by authority to customer, and such correction when made shall constitute full adjustment of any claim between customer and authority arising out of such inaccuracy of meters.

Credits

Sec. filed June 24, 1976.

21 NYCRR 454.5
Section 454.5. Cooperation of contracting parties

(a) *Mutual assistance.* If, in the maintenance of their respective power systems and/or electrical equipment and the utilization thereof for the purposes of the service provided by authority, it becomes necessary by reason of any emergency or extraordinary condition for either authority or customer to request the other to furnish personnel, materials, tools, and equipment for the accomplishment thereof, the party so requested shall cooperate with the other and render such assistance as the party so requested may determine to be available. The party making such request, upon receipt of properly itemized bills from the other party, shall reimburse the party rendering such assistance for all costs properly and reasonably incurred by it in such performance, together with an amount not to exceed 10 percent of such costs for administration and general expenses, such costs to be determined on the basis of current charges or rates used in its own operations by the party rendering assistance. Nothing in this subdivision shall be construed to require the furnishing of personnel in the case of a strike, lockout or other labor dispute.

(b) *License to the customer.* Authority by acceptance of an application for electric service or as provided in other contract documents will grant customer a license to construct, install, operate, maintain, replace or repair, either or all, upon property of authority at locations designated by authority under the administrative control and jurisdiction of authority such facilities as in the opinion of authority are necessary or desirable for the purposes of the service authority is to provide customer. Such license shall remain in effect during the term of service and shall expire coincidentally therewith. Any facilities so installed by customer pursuant to this subdivision shall be and remain the property of customer notwithstanding that the same may have been affixed to the premises. Unless otherwise specified in the application for electric service, the applicable service tariff, or other contract documents, if upon expiration of the license authority desires to acquire such facilities, it may do so at a price equal to the original cost less depreciation provided it gives written notice within 20 days of its intention to so acquire such property. If the authority does not acquire such facilities customer shall have a reasonable time after the expiration of such license or licenses in which to remove its facilities so installed.

(c) *License to the authority.* Customer upon authority's acceptance of customer's application for electric service or as provided in other contract documents will grant to authority a license to construct, install, operate, maintain, replace or repair, either or all, upon the property of customer such facilities as in the opinion of authority or the utility providing delivery and service are necessary or desirable for the service authority is to provide customer. The license or licenses shall be and remain in effect during the term of service, and shall expire coincidentally therewith. Any facilities so installed by authority pursuant to such license or licenses shall be and remain the property of authority, notwithstanding that the same may have been affixed to the premises. Unless otherwise specified in the application for electric service, the applicable service tariff, or other contract documents, if upon expiration of the license customer desires to acquire such facilities, it may do so at a price equal to the original cost less depreciation provided it gives written notice within 20 days of its intention to so acquire such property. If the customer does not acquire such facilities authority shall have a reasonable time after the expiration of such license in which to remove its facilities so installed.

Credits

Sec. filed June 24, 1976.

21 NYCRR 454.6
Section 454.6. Billings and payments

(a) *Billings.* Except as otherwise provided in the accepted application for electric service, the applicable service tariff or other contract documents, authority will submit bills to customer on or before the 10th business day of each billing period for electric service furnished during the preceding billing period, and payments will be due and payable by customer on the first day of the billing period immediately succeeding the date each bill is submitted. For the purposes of the preceding sentence, the term *business day* shall mean a day other than a Saturday, Sunday, or banking holiday in the State of New York.

(b) *Nonpayment of bills.* Except as otherwise provided in the accepted application for electric service the applicable service tariff or other contract documents if customer fails to pay any bill when due an interest charge of two percent of the amount unpaid shall be added thereto as liquidated damages, and thereafter, as further liquidated damages, an additional interest charge of one and one-half percent of the sum unpaid shall be added on the first day of each succeeding billing period until the amount due, including interest, is paid in full. Authority shall have the right upon not less than 15 days' advance written notice to discontinue furnishing electric service to customer for nonpayment of bills and to refuse to resume same so long as any part of the amount due remains unpaid. In the case of contracts with electric corporations entered into on or after May 1, 1974, failure to make prompt and timely payments of all bills rendered by authority for electric service shall be grounds for immediate termination pursuant to section 1005(e) of Public Authorities Law. Such discontinuance of electric service will not relieve customer of liability for any minimum charge during the time electric service is so discontinued. The rights given in this subdivision to authority shall be in addition to all other remedies available to authority, either at law or in equity, for the breach of any of the provisions of this subdivision.

(c) *Adjustment for fractional billing period.* For a fractional part of a billing period at the beginning or end of service, and for fractional periods due to withdrawals or other changes in the agreed upon amount of service the demand or capacity charge and the portion of the minimum charge based on demand or capacity or minimum amount of energy to be billed shall each be proportionately adjusted in the ratio that the number of hours that electric service is furnished to customer in such fractional billing period bears to the total number of hours in the billing period involved.

(d) *Adjustments for curtailment (interruptions or reductions) of service.*

(1) Unless otherwise specified in the applicable service tariff or application for electric service or other contract documents, if for the reasons specified in subdivisions (a) and (b) of section 454.3 of this Part conditions on the power system of authority (which system, for purpose of adjustments hereunder, shall include transmission and delivery facilities, if any, utilized but not owned by authority) require the delivery of electric service to be interrupted or reduced below the contract demand or other maximum rate of delivery in effect for the affected type of service, or below the rate of delivery required by customer at the time of such reduction, whichever is the lesser, for a period or periods of one hour or longer in duration, each customer shall receive a credit against the capacity charge and the minimum

charge for the billing period representing a fraction of the total capacity charge and of the minimum charge determined by the ratio of (i) the sum of the hours in which the rate of delivery was reduced to zero plus the total of the fractional hours of partially reduced service (the fraction for each hour being the ratio of the reduction in rate of delivery below that scheduled by customer to customer's contract demand) to (ii) the number of hours in the billing period.

(2) Customer shall be limited in its remedy for such interruptions or reductions to the relief granted by this subdivision.

Credits

Sec. filed June 24, 1976; amds. filed: June 3, 1980; Sept. 1, 1981; May 4, 1982; May 28, 1999 eff. May 28, 1999. Amended (a).

21 NYCRR 454.7
Section 454.7. Cancellation for violation by customer

Authority may cancel and terminate service under any service tariff upon violation of the terms of service as set forth in this Part, in the service tariff, in the accepted application for electric service, or in other contract documents, provided, that authority shall not exercise its option to cancel unless written notice and statement of any violation shall have been given customer and customer afforded a period of at least 60 days in which to cure such violation.

Credits

Sec. filed June 24, 1976.

21 NYCRR 454.8
Section 454.8. Waivers

Any waiver at any time by either customer or authority of its rights with respect to a default or any other matter arising in connection with service to customer shall not be deemed to be a waiver with respect to any subsequent default or matter.

Credits

Sec. filed June 24, 1976.

21 NYCRR 454.9
Section 454.9. Notices

Except where otherwise specifically provided, any notice, demand or request required or authorized by this Part, by the applicable service tariff or by the accepted application for electric service shall be deemed properly given if mailed by certified mail, postage prepaid to office of secretary of authority at the address of authority, and to the official signing for customer at the address of customer shown on the application for electric service or other contract document unless another person has been designated to receive such notice, demand or request. The designation of the person to be notified or the address of such person may be changed at any time by similar notice.

Credits

Sec. filed June 24, 1976.

21 NYCRR 454.10
Section 454.10. Transfer of interest in contract by customer

No voluntary transfer of service by customer or of the rights of customer under its accepted application for electric service or other contract document shall be made without the written approval of authority, provided, that any successor to or assignee of the rights of the customer, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions and conditions of this Part, the applicable service tariff or other contractual arrangements between customer and authority to the same extent as though such successor or assignee were the original customer, and provided further, that the execution of a mortgage or trust deed, or judicial or foreclosure sales made thereunder, shall not be deemed voluntary transfer within the meaning of this section.

Credits

Sec. filed June 24, 1976.

21 NYCRR 454.11
Section 454.11. Resale of electric power and energy

Unless otherwise provided in the applicable service tariff, or other contract documents, customer shall not sell any of the electric power and energy delivered to it under this Part, except to such purchaser(s) and upon such terms and at such rates as the authority shall approve.

Credits

Sec. filed June 24, 1976; amd. filed Sept. 1, 1981 eff. Sept. 1, 1981.

21 NYCRR 454.12
Section 454.12. Modification or merger of rates

The rates provided for in each service tariff or other contract documents shall be subject to modification from time to time by the authority pursuant to the provisions of the Power Authority Act or any other applicable statutes. The authority may merge rates for power and energy made available from some or all of its facilities.

Credits

Sec. filed June 24, 1976.

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: **July 29, 2025**

To: **NEW YORK POWER AUTHORITY BOARD OF TRUSTEES**

From: **PRESIDENT and CHIEF EXECUTIVE OFFICER**

Subject: **Robotics Program Value Contracts – Contract Award**

SUMMARY

The New York Power Authority Trustees ("Trustees") are requested to approve competitively bid value contracts for the Robotics Program at their next meeting. Your concurrence/approval is requested to award the following:

Method of Award:	Competitive Bid
Recommended Supplier(s) / Location:	1. Aerialoop USA | Miami, FL 2. Anra Technologies, Inc. | Chantilly, VA 3. Censys Technologies Corporation | Daytona Beach, FL 4. DroneDeploy, Inc. | San Francisco, CA 5. enDevelopment LLC | Montgomery, NY 6. Environmental Systems Research Institute, Inc. dba ESRI | Redlands, CA 7. General Pacific, Inc. | Fairview, OR 8. gNext Labs, LLC | Roanoke, VA 9. Gresco Supply, Inc.| Forsyth, GA 10. Kronos Utility Inc. | Peachtree Corners, GA 11. LandSkyAI, LLC | Elmwood Park, NJ 12. Linebird Inc., dba Linebird | Ashland, VA 13. RADeCO Inc. | Plainfield, CT 14. Skydio, Inc. | San Mateo, C
Type of Award:	NYPA/Canals Equipment
Max Commitment Amount:	$20,000,000
Contract Term:	84 months
Reason for Trustee Approval:	Greater than $10M

BACKGROUND

In accordance with the Authority's Guidelines for Procurement Contracts and Expenditure Authorization Procedures (“EAPs”), the award of personal services contracts to be rendered for a period in excess of one year or over $10 million requires Trustee approval.

The Robotics program aims to procure equipment and software services to enhance inspection and monitoring capabilities of Authority, Canals, and Customer assets. This procurement covers three categories: hardware, mapping, and software to support the deployment of unmanned aerial systems (UAS), ground robots, aquatic robots, robot payloads, and associated software solutions for data management and mission management. The services aim to enhance the robotics program goals and roadmap with the tools necessary to meet increasing demand for use cases.

These suppliers will furnish hardware and software that comply with current regulations and are accompanied by registered licenses from all the manufacturers they have proposed.

DISCUSSION

In accordance with the applicable Guidelines for Procurement Contracts, the Authority issued a Request for Proposal (RFP) Inquiry Q25-7642RJM, which was advertised in the New York State Contract Reporter on March 13, 2025. Sixty-nine (69) suppliers were invited to participate in the Ariba Event, and seventeen (17) submittals were received on April 25, 2025. These proposals were then evaluated by a cross-functional team based on the following criteria: proposed solution and services, experience and references, insurance, appendices compliance, exception-free proposal, company background, and proposed costs.

The Evaluation Committee recommends awarding contracts to fourteen (14) of the suppliers who met the Evaluation Criteria, due to the diverse nature of the required services and anticipated volume of projects. This will allow for flexibility in obtaining services for planned projects and procurement of equipment. The terms and conditions of the proposed contracts have been fully negotiated. The proposals from non-selected suppliers either did not rate as highly across the Evaluation Criteria or took significant exceptions to the Authority’s terms and conditions.

FISCAL INFORMATION

Expenditures for these contracts will be paid from the Authority’s Capital or Operating Fund, as appropriate.

RECOMMENDATION

The Executive Vice President and Chief Operating Officer requests that the New York Power Authority Board of Trustees approve value contracts to be awarded to Aerialoop USA Inc., ANRA Technologies Inc., BEIROBOTICS LLC [Linebird Inc.], Censys Technologies Corporation, Drone Deploy Inc., enDevelopment LLC., Environmental Systems Research

Institute Inc., General Pacific Inc., gNext Labs LLC, Gresco Supply, Inc., Kronos Utility Inc., LandskyAI LLC., RADeCO Inc., Skydio Inc. for five years in the aggregate amount of $20 million at their next meeting.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Justin E. Driscoll

President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the award of a five-year (option for 2 year extension) Robotics Program Contract Awards to Aerialoop USA Inc., ANRA Technologies Inc., BEIROBOTICS LLC [Linebird Inc.], Censys Technologies Corporation, Drone Deploy Inc., enDevelopment LLC., Environmental Systems Research Institute Inc., General Pacific Inc., gNext Labs LLC, Gresco Supply, Inc., Kronos Utility Inc., LandskyAI LLC., RADeCO Inc., Skydio Inc., in the aggregate amount of $20 million; and be it further

RESOLVED, that the Trustees approve the Authority's use of Capital Funds, which may include proceeds of debt issuances, to finance the costs of projects; and be it further

RESOLVED, that the Trustees declare in accordance with Treasury Regulation Section 1.150-2, the Authority's official intent to finance as follows: The Authority intends to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority, all expenditures made and which may be made in accordance with the Project described in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

Chief Financial Officer's Report

Adam Barsky
EVP & Chief Financial Officer

July 29, 2025

Year-To-Date Actuals through June 30th

6+6

In $ Thousands	2025 Budget ($)	2025 Current ($)	Variance ($)
Net Operating Income			
Operating Revenue			
Generation Revenue	$446,187	$542,872	$96,684
Ancillary Service Revenue	18,157	29,546	11,389
Transmission and Other	171,961	186,381	14,420
Non Utility Revenue	30,402	30,704	302
Pass Through Revenue	958,485	1,130,635	172,150
Operating Revenue Total	**1,625,192**	**1,920,138**	**294,946**
Operating Expense			
Purchase Power	(5,369)	(27,936)	(22,567)
Fuel Consumed	(15,468)	(20,344)	(4,876)
Transportation and Delivery	(47,798)	(47,740)	58
Pass Through Expense	(958,485)	(1,130,635)	(172,150)
Operations & Maintenance	(368,757)	(353,849)	14,908
Other Expense	(45,276)	(88,161)	(42,885)
Monetized Funds Support	(11,177)	(21,818)	(10,642)
Allocation to Capital	26,983	13,407	(13,576)
Operating Expense Total	**(1,425,347)**	**(1,677,078)**	**(251,731)**
Operating Income Total	**199,845**	**243,060**	**43,215**
Non Operating			
Interest and Other Expenses			
Investment and Other Income	39,017	60,007	20,990
Mark to Market Adjustments	0	9,572	9,572
FADS Total	**238,862**	**312,639**	**73,777**
Interest & Other Expenses	(17,572)	(17,220)	352
Depreciation	(178,658)	(169,722)	8,936
Interest and Other Expenses Total	**(157,213)**	**(117,363)**	**39,850**
NET INCOME	**$42,632**	**$125,697**	**$83,065**

Margins - Generation	**$50,456**
Margins - Transmission	**(149)**
Margins - Non Utility	**187**
Operating Expenses	**(7,279)**
Non-Operating Net	**39,850**
	$83,065

FADS: Funds Available for Debt Service

2025 Year-End Projection

6+6

In $ Thousands	2025 Budget ($)	2025 Current ($)	Variance ($)
Net Operating Income			Current vs Budget
Operating Revenue			
Generation Revenue	$926,341	$1,027,388	$101,047
Ancillary Service Revenue	36,966	48,886	11,920
Transmission and Other	400,229	459,333	59,104
Non Utility Revenue	60,631	65,649	5,018
Pass Through Revenue	1,912,440	2,111,739	199,299
Operating Revenue Total	**3,336,606**	**3,712,995**	**376,389**
Operating Expense			
Purchase Power	(12,472)	(36,656)	(24,185)
Fuel Consumed	(35,297)	(45,530)	(10,233)
Transportation and Delivery	(96,763)	(96,737)	26
Pass Through Expense	(1,912,440)	(2,111,739)	(199,299)
Operations & Maintenance	(743,333)	(741,218)	2,114
Other Expense	(90,553)	(149,309)	(58,756)
Monetized Funds Support	(17,806)	(44,085)	(26,279)
Allocation to Capital	52,589	31,786	(20,804)
Operating Expense Total	**(2,856,074)**	**(3,193,490)**	**(337,416)**
Operating Income Total	**480,532**	**519,505**	**38,973**
Non Operating			
Interest and Other Expenses			
Investment and Other Income	77,887	105,465	27,577
Mark to Market Adjustments	0	9,572	9,572
FADS Total	**558,419**	**634,541**	**76,122**
Interest & Other Expenses	(35,249)	(36,411)	(1,162)
Depreciation	(357,316)	(348,380)	8,936
Interest and Other Expenses Total	**(314,677)**	**(269,754)**	**44,923**

NET INCOME	$165,855	*$237,841 Low Case*	$249,751 Expected	*$279,751 High Case*	$83,896

Margins - Generation**	**$23,150**
Margins - Transmission	**52,266**
Margins - Non Utility	**4,754**

*** Includes Merchant Gross Margin Variance of ($4,034): Budget @ $349,371 vs Current @ $345,337*

Operating Expenses	**(41,197)**
Non-Operating Net	**44,923**
$83,896	

FADS: Funds Available for Debt Service

Low/High case taken from Risk's Merchant Portfolio Daily Performance Summary

NYPA Transmission Development

Smart Path Connect

- Project is 90% complete
- Anticipated In-Service in June 2026

Propel NY

- Article VII settlement hearings in progress
- Major Contract(s) under procurement

Astoria Property Purchase

- Closed on June 25, 2025

NYC Public Policy Transmission Need

- NYS Public Service Commission cancelled NYCPPTN on July 17, 2025

$944,150,000 | New York Energy Finance Development Corporation | Energy Supply Revenue Bonds, Series 2025

On July 16, 2025, NYPA priced New York State's first electricity prepayment transaction

- NYPA worked with Empire State Development Corporation to create the **New York Energy Finance Development Corporation**, **the first New York State entity for prepay issuances**
- This transaction will allow NYPA to help its eligible customers reduce their cost of electricity by up to 10%
  - Eligible customers will have the ability to novate in their renewable energy PPAs, allowing them to access the discount this prepay generates
- The transaction represents another tool NYPA can offer its eligible customers to reduce the cost of energy transition and meet CLCPA goals

NY Power Authority | Canal Corporation

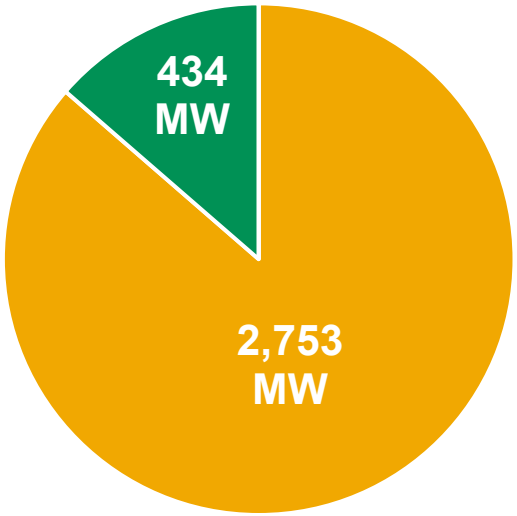
NEW YORK STATE | NY Power Authority | Canal Corporation

Renewables Update

Christopher Hutson
SVP NYPA Development

Renewable Opportunities Overview

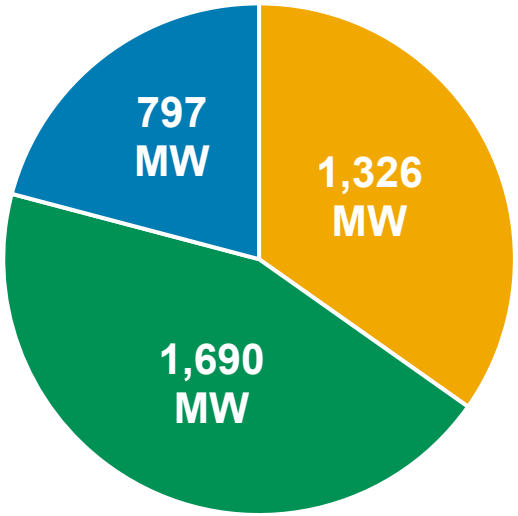
First Tranche



~3,187 MW

Total Number of Projects: 37

Second Tranche

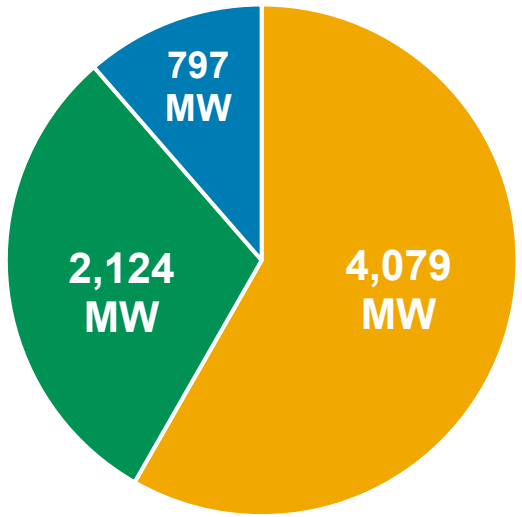


~3,813 MW

Total Number of Individual Projects: 24

Total Number of Portfolios: 3

Draft Updated Strategic Plan



~7,000 MW

Total Number of Individual Projects: 61

Total Number of Portfolios: 3

Renewable Opportunities Overview

First Tranche

Greenfield (NYPA self-developed projects):

- 10 greenfield projects in development stages
- More than 200 MW of capacity

Co-Developed Projects

- 26 projects under evaluation
- One project acquired and nearing construction
- Nearly 3,000 MW of capacity

Second Tranche

Greenfield (NYPA self-developed projects):

- Three new projects passed fatal flaw due diligence
- Nearly 30 MW of capacity

Co-Developed Projects:

- 24* new projects and portfolios passed fatal flaw due diligence
- Nearly 3,800 MW of capacity, including more than 700 MW of distributed-scale downstate storage portfolios

** Includes three distributed-scale storage portfolios containing 152 projects*

Recent Federal Actions and Impacts

H.R.1

IRA Tax Credits for Solar and Wind

- Wind and solar projects must **commence construction** before July 2026 *or* be placed in service before December 31, 2027, to qualify for federal tax credits

Broadens Foreign Entity of Concern (FEOC) Restrictions

- Complex rules related to projects owned or controlled by, or that receive "material assistance" from, a FEOC-classified country

July 7 Executive Order

- Directs Treasury to review and revise **"commence construction"** guidance related to wind and solar production and investment tax credits
- Will establish new FEOC guidance
- Treasury must issue guidance by **mid-August**

Tax Credits Timeline for Renewable Energy and Storage Projects

7/4/2025
H.R. 1 signed into law

8/18/2025
Deadline for Treasury to define “commence construction” and update FEOC guidance

12/31/2025
Commence construction deadline to avoid additional FEOC guidance

7/4/2026
Commence construction deadline to avoid 2027 in-service requirement

12/31/2027
In-service deadline for projects that missed July 4 deadline

12/31/2030
In-service deadline for projects that met July 4 deadline

12/31/2033
Commence construction deadline for full tax credit

2034
Phase-down to 75% tax credit

2035
Phase-down to 50% tax credit

2036
Tax credit eliminated

KEY — Wind, Solar, Storage

Project Prioritization to Mitigate Tax Risk

The safest way to secure tax credits is by starting physical construction prior to H.R. 1's commence construction deadlines

Permitting

Projects that have or are close to obtaining siting approvals

Competitiveness

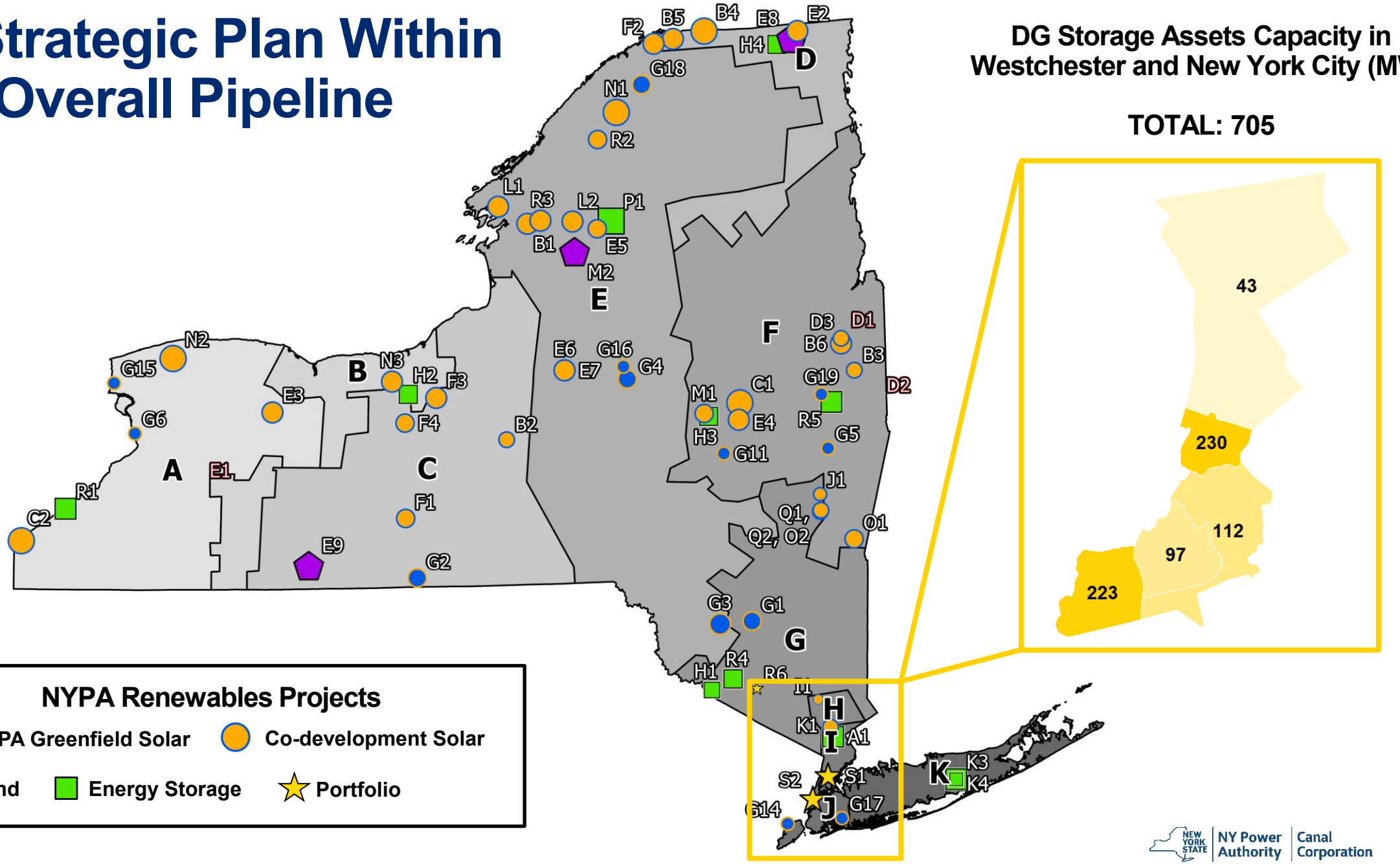
Projects with a NYSERDA REC or PPA, or projects capable of winning a NYSERDA REC contract

Supply Chain

Projects with well-established supply chain relationships

ORES – Office of Renewable Energy Siting
SEQRA – State Environmental Quality Review Act
REC – Renewable Energy Credit
PPA – Power Purchase Agreement

Our Strategic Plan Within NY's Overall Pipeline



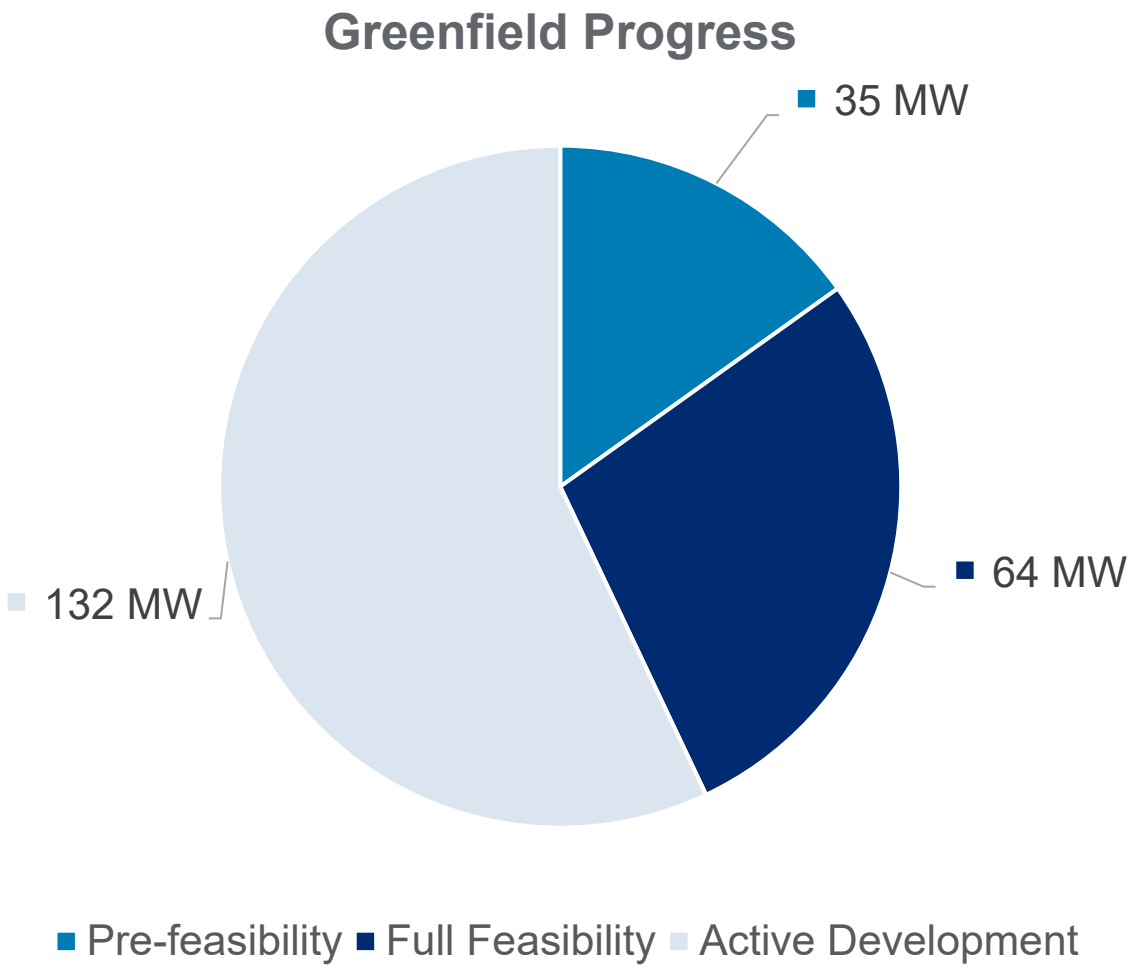
DG Storage Assets Capacity in Westchester and New York City (MW)

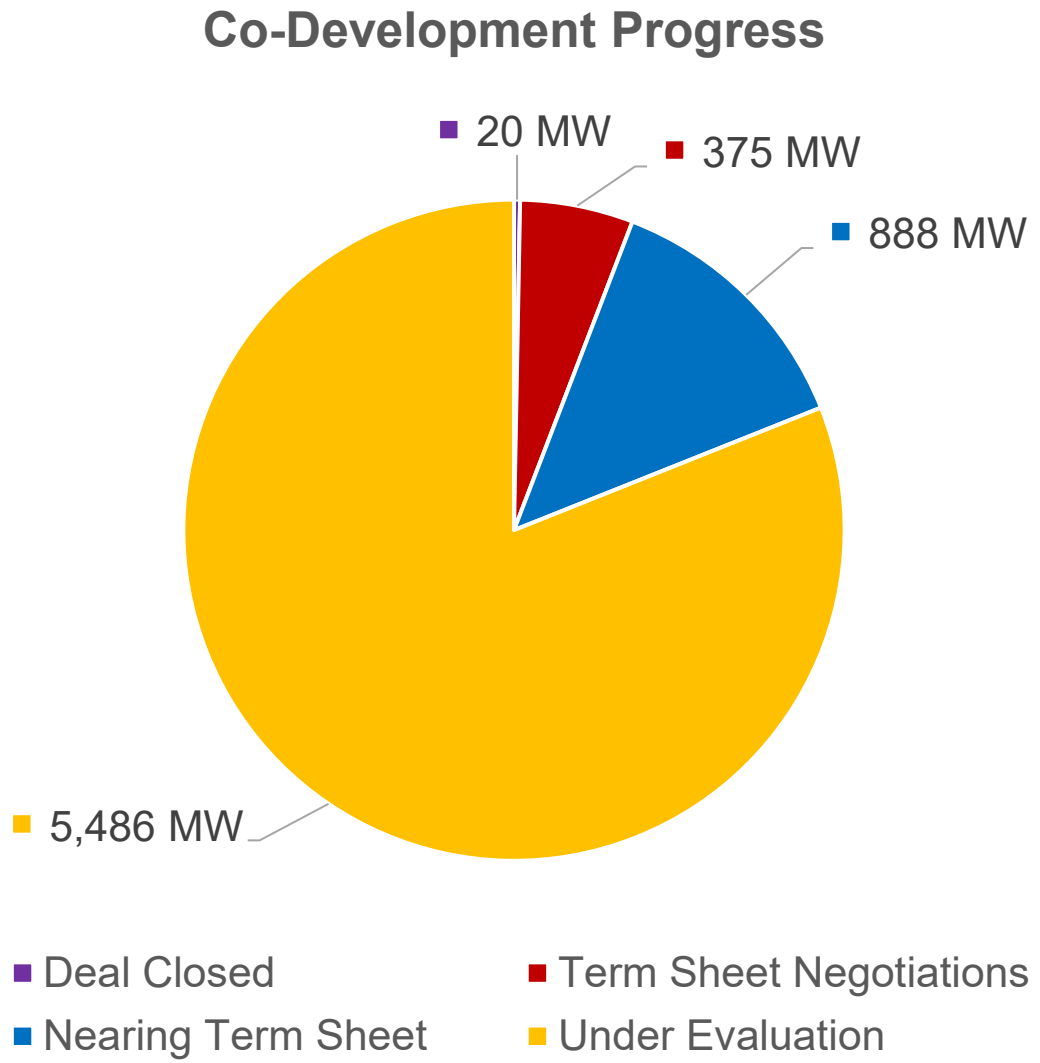
TOTAL: 705

NYPA Renewables Projects

- NYPA Greenfield Solar
- Co-development Solar
- Wind
- Energy Storage
- Portfolio

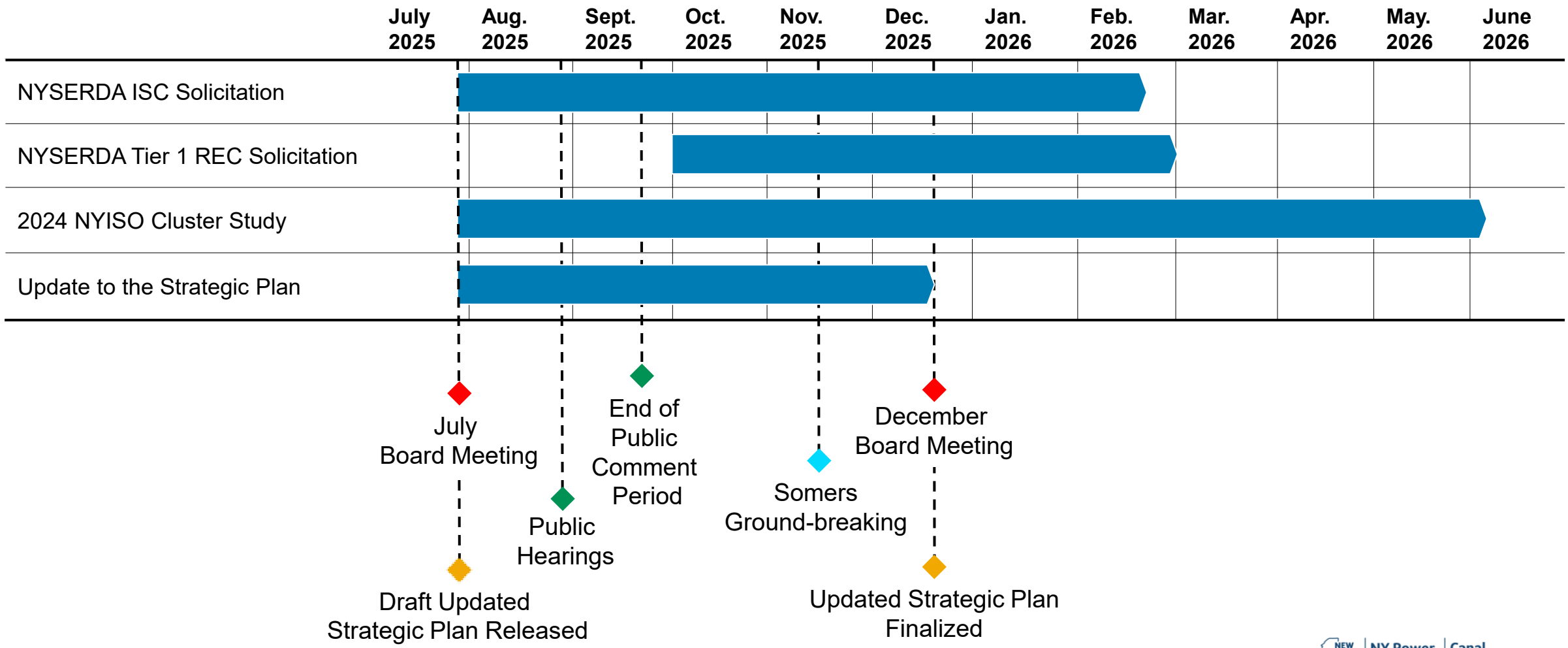
Updates on Due Diligence & Development





Key Priorities & Milestones

Dates for NYSERDA solicitation are tentative based on the best information available



Renewable Access and Community Help (REACH)

All distributed-scale projects will be explored as REACH candidates

First Tranche

- Four projects totaling more than 100 MW
- Two projects in active development

Second Tranche

- Three distributed-scale storage portfolios containing 152 sites, totaling more than 700 MW

Utility-bill savings to low-moderate income households within disadvantaged communities

Updated Strategic Plan Release and Hearing Schedule

Draft Updated Strategic Plan Released	**Tuesday, July 29, 2025**
Virtual Hearing 1 Zoom link to be provided	**Tuesday, August 19, 2025** 10 a.m.–12 p.m.
Virtual Hearing 2 Zoom link to be provided	**Wednesday, August 20, 2025** 6 p.m.– 8 p.m.
Public Comments on Updated Strategic Plan Accepted	**July 29, 2025 – September 12, 2025**
NYPA Board of Trustees Vote on Updated Strategic Plan	**December 9, 2025**

Additional information available at nypa.gov/renewables

NY Power Authority | Canal Corporation

Chief Risk & Resiliency Officer's Report

Alexis Harley
SVP & Chief Risk & Resiliency Officer

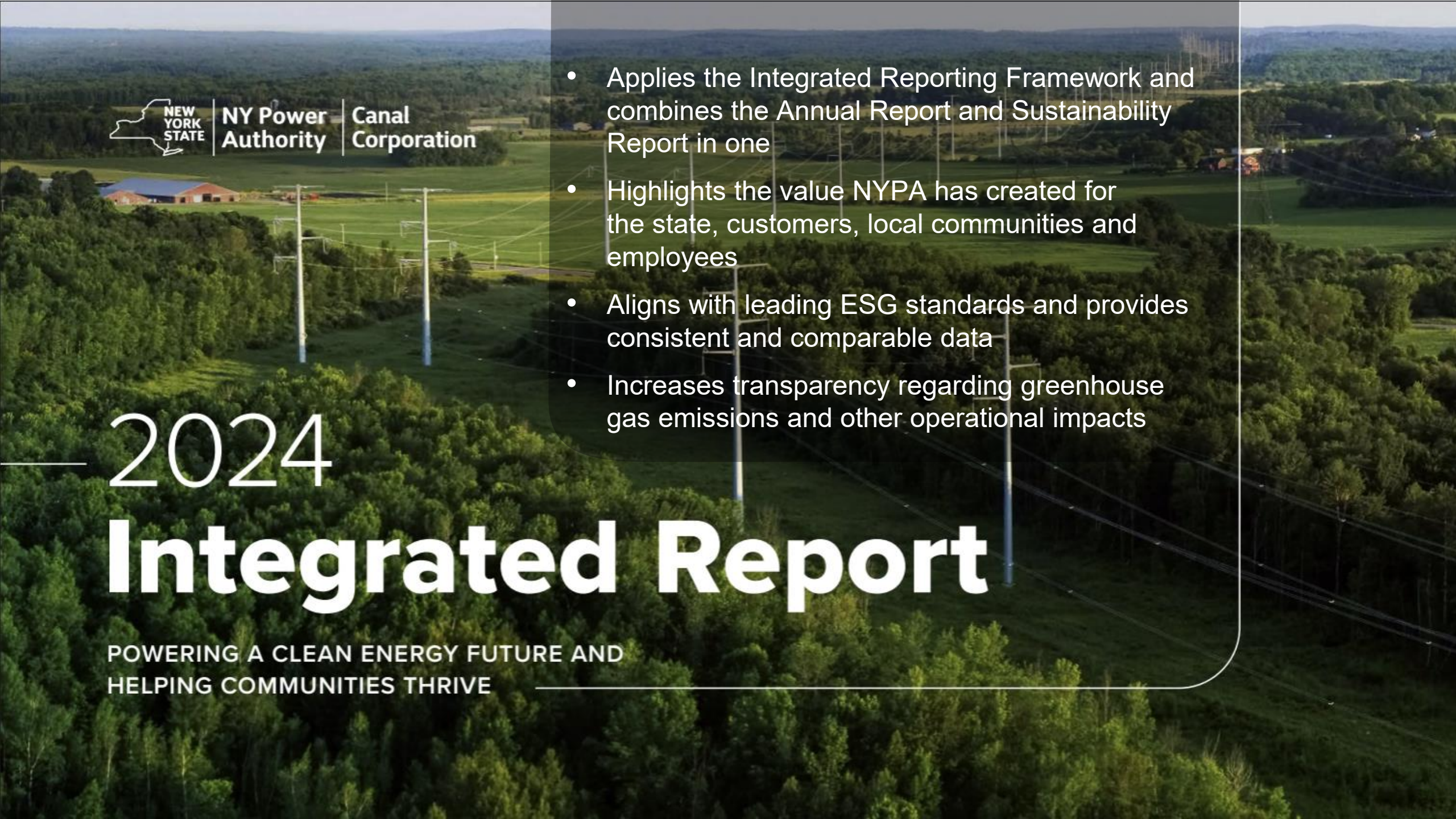
July 29, 2025

Agenda

- 2024 Integrated Report Overview
- Risk Spotlight: Preparing for Nuclear

2024 Integrated Report Overview

Kerry-Jane King
Senior Director | Sustainability



- Applies the Integrated Reporting Framework and combines the Annual Report and Sustainability Report in one
- Highlights the value NYPA has created for the state, customers, local communities and employees
- Aligns with leading ESG standards and provides consistent and comparable data
- Increases transparency regarding greenhouse gas emissions and other operational impacts

2024 had several transitions underway and our report reflects this

- Our Integrated Report provides a look back at our **2024 performance**, and references certain 2025 developments for clarity
- It is built around our **VISION2030** strategic priorities and introduces **VISION2030 Renewed**
- The report presents the Authority's ten **Material Matters** identified in our 2024 materiality assessment

We highlight accomplishments against strategic priorities

Preserve hydropower

Advanced Next Gen NIA initiatives, including installation of 680-ton gantry crane, and allocated more than 80 MW through economic development power programs while continuing to maintain assets and plan for the impacts of climate change

Decarbonize electricity generation

Completed the Renewables Strategic Plan, progressed our SNGPP Transition Plan and the Decarbonization Leadership Program, established REACH and launched the Workforce Training Program; also continued work on building and vehicle electrification and reduced upstream emissions through the purchase of certified natural gas

Lead transmission expansion

Progressed with transmission expansion through projects like Smart Path Connect, Uniondale Hub Substation, Clean Path NY, and Propel NY and strengthened grid security and reliability through AGILe and Robotics

Partner with customers and the state

Completed 77 building energy efficiency projects including projects with NYCHA, MEUA, and the Tuscarora, continued installation of charging infrastructure at municipal bus depots and JFK, and installed a solar array at Red Hook CSD

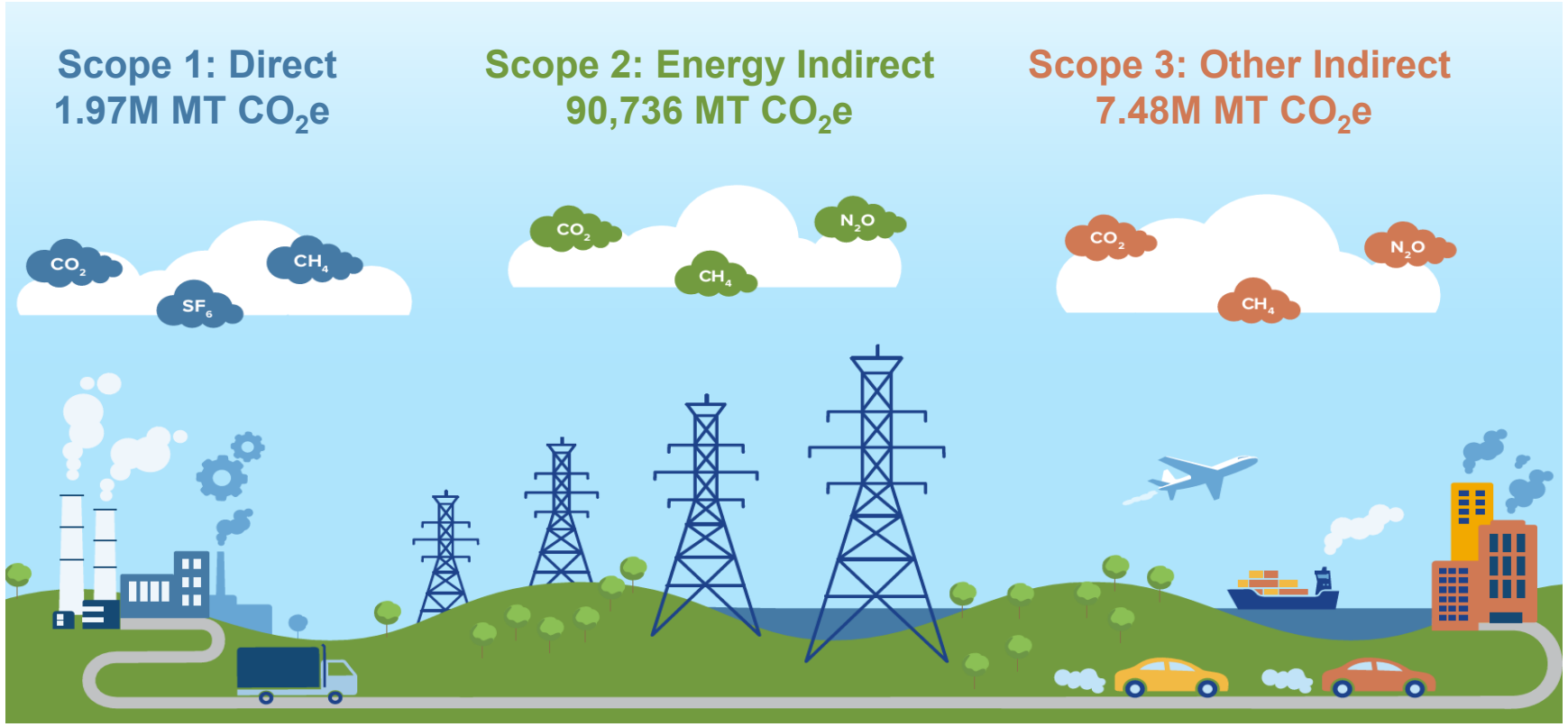
Revitalize the Canal System

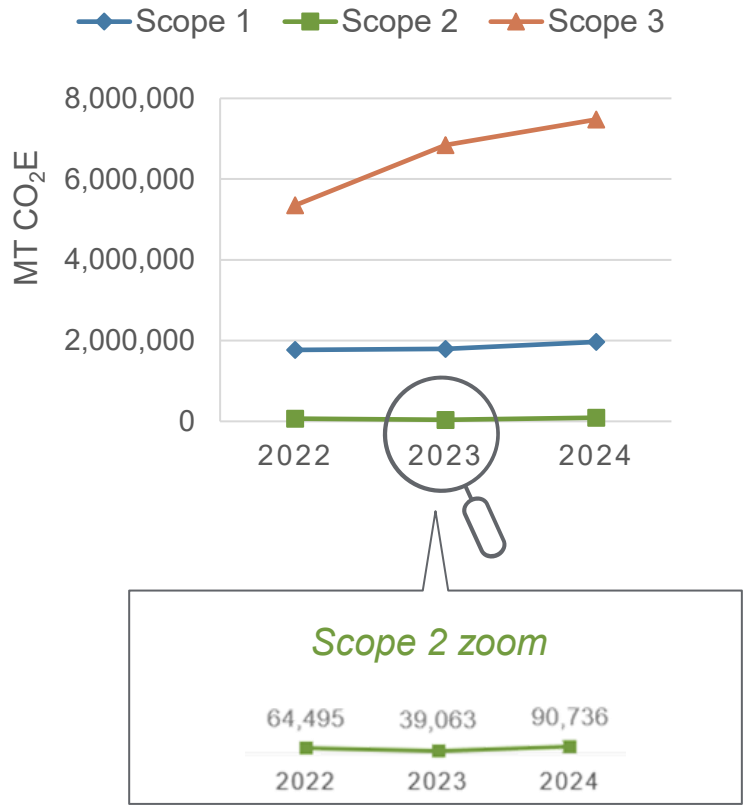
Enhanced Canal infrastructure, canal-adjacent ecosystems, and recreational opportunities through waterway and dam safety initiatives, public infrastructure investments, wetlands protection, and On the Canals programming

Support our people and communities

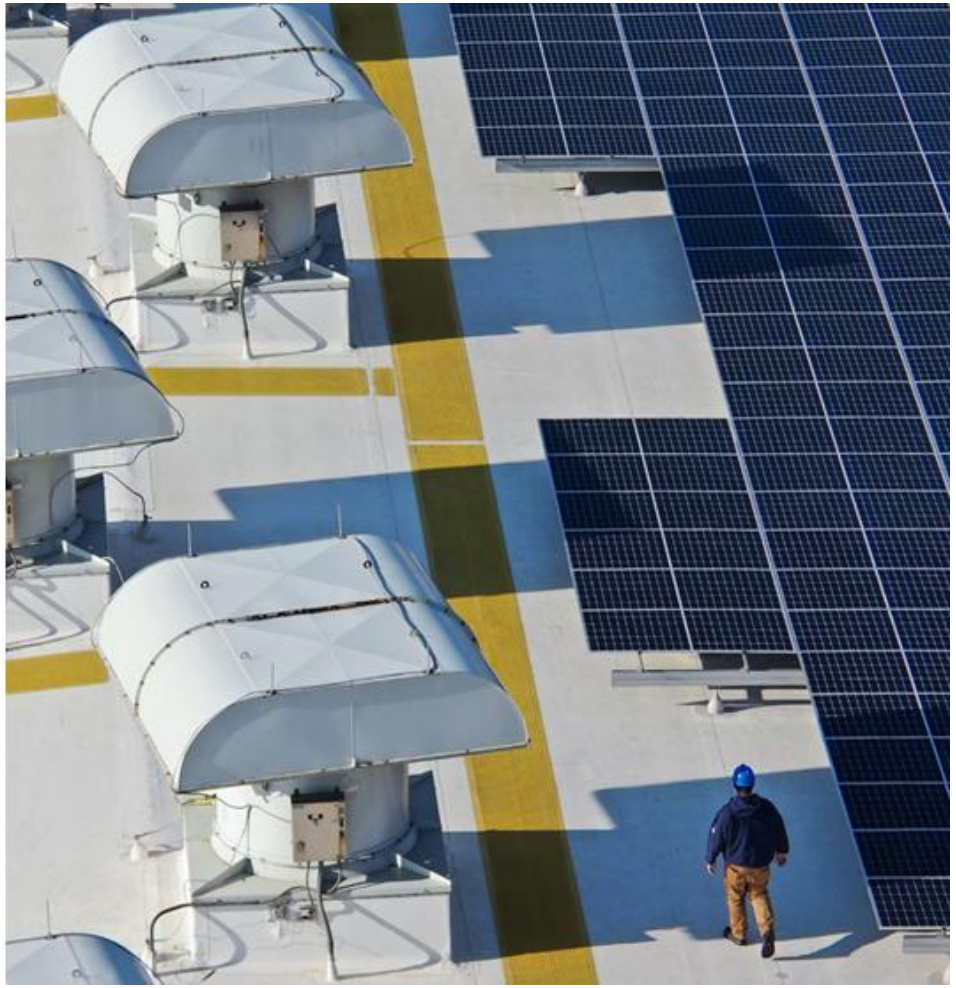
Supported employees through career development and DEIA initiatives, provided STEM education and workforce pathway programs for underserved communities, and expanded business development opportunities for local and diverse suppliers

Our greenhouse gas inventory provides transparency into our emissions over time





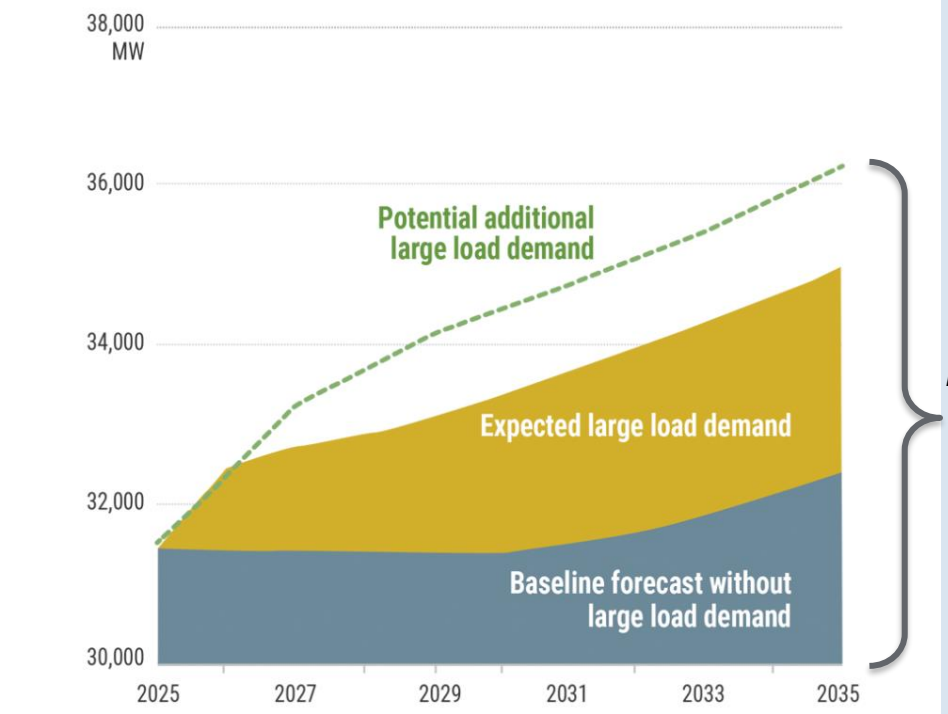
The report ends with a look to the future



Risk Spotlight: Preparing for Nuclear

Alexis Harley
SVP, Chief Risk & Resiliency Officer

New York's electric landscape is evolving



Source: 2025 NYISO Power Trends Report

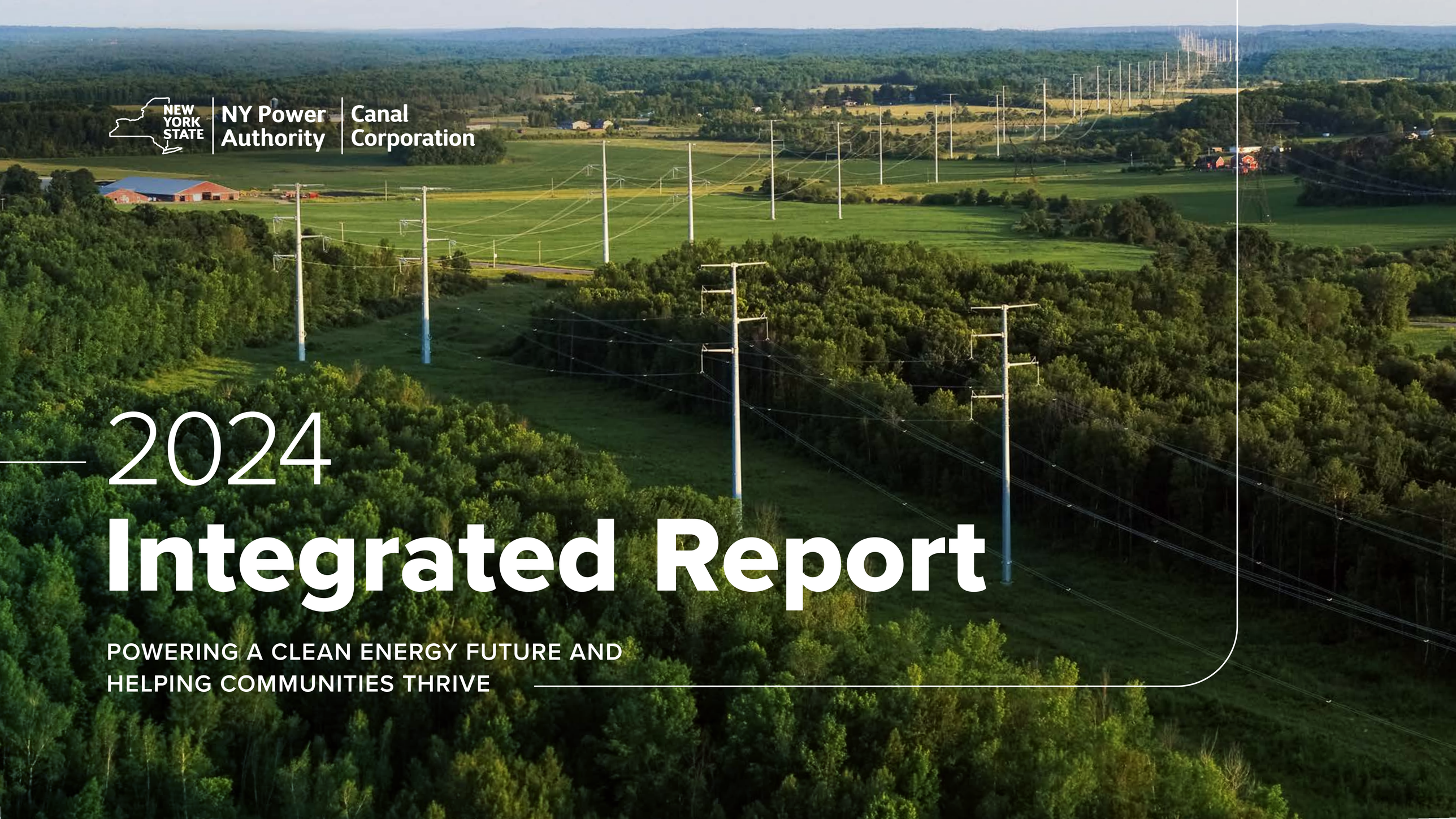
- There is significant **uncertainty** about large loads (e.g., data centers) seeking to connect to the grid within the next ten years
- Meeting growing demand is **complicated** by dynamics such as the impending retirement of fossil-based generators and intermittency of solar and wind installations
- Maintaining reliability for the evolving grid is a priority for the state and NYPA
- **Nuclear power generation offers a reliable, continuous, and emissions-free supply,** helping to meet supply challenges and aiding NYISO grid operators with balancing

Understanding project risk will be a core element of nuclear project development

We will:

- Engage with a third party and key stakeholders to perform detailed risk analysis
- Ensure visibility into potential internal and external risks and the actions necessary to mitigate them
- Inform and escalate using current and proven risk management governance framework

NY Power Authority | Canal Corporation



2024 Integrated Report

POWERING A CLEAN ENERGY FUTURE AND HELPING COMMUNITIES THRIVE

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01 INTRODUCTION

A Message From
the Chairman

A Message From
the President and CEO

A Message From **the Chairman**

As we navigate the dynamic landscapes of energy and climate change, the New York Power Authority (NYPA) remains steadfast in its commitment to leading New York State's ambitious decarbonization efforts. Our intent is to drive the state's transition to a low-carbon future while ensuring this transformation is just, equitable and inclusive.

New York State has some of the most aggressive decarbonization goals in the nation, and in 2024, we made significant strides in advancing them.

In March 2025, the Board of Trustees approved the refresh of NYPA's strategic plan, VISION2030 Renewed, empowering NYPA to shape a sustainable future by increasing renewable energy sources in New York State, modernizing transmission, deepening customer partnerships and invigorating the New York State Canal System.

NYPA's expanded authority, granted by Gov. Kathy Hochul and the state Legislature in 2023, enables us to accelerate renewable energy development and financially support clean energy workforce training. During 2024, NYPA pre-qualified 89 renewable energy companies and investors to partner with us on this journey.

Under the expanded authority, the Board of Trustees approved funding of more than $20.6 million for NYPA's Clean Energy Workforce Development and Training Investment Initiative, beginning in May 2024, in collaboration with the New York State Department of Labor.

Our workforce development initiatives ensure New York State has the skilled personnel to add renewable generation. Coupled with ongoing upgrades and expansion of NYPA's transmission network, our assets will remain resilient and deliver more clean power to meet growing demand while safely decarbonizing energy sources.

Innovation remains the cornerstone of NYPA's strategy. Through significant capital investments, such as the Advanced Grid Innovation Laboratory for Energy, NYPA is providing research and development tools to transform New York State's energy infrastructure.

The issuance of $450 million in Series 2024 A Revenue Bonds (Green Bonds) in September 2024 underscores NYPA's financial commitment to sustainable development, supporting its capital plan, maintaining asset integrity and investing in infrastructure projects.

NYPA ensures that the benefits of our operations are equitably distributed. This includes electrifying public transit, reducing emissions in densely populated areas and managing New York's waterways responsibly through initiatives that promote recreational tourism and support local economies while preserving natural resources.

NYPA is dedicated to bringing the economic benefits and opportunities of the energy transition to disadvantaged communities across New York State. NYPA is proud to invest in its Supplier Diversity Program, fostering partnerships with minority- and women-owned businesses that strengthen its supply chain and ensure its economic impact reaches all communities.

The just transition is about more than shifting away from fossil fuels; it is about increasing resilience, safely meeting rising demand, contributing to energy security and contributing to a sustainable, inclusive and prosperous future for all New Yorkers.

As we reflect on our accomplishments in 2024 and look to the future, we are inspired by the progress and the possibilities that lie ahead.

Sincerely,

John R. Koelmel
Chairman

A Message From **the President & CEO**

Reflecting on the past year, NYPA continues to mark significant milestones in our long history of service to New York State and its people. Our commitment to providing clean, reliable and affordable energy has never been more critical as we work to advance the state's ambitious clean energy goals.

NYPA's expansive role in New York's energy infrastructure remains pivotal, guided by the leadership of Gov. Kathy Hochul and the Legislature. In 2024, we made substantial progress in implementing the new responsibilities conferred upon us in the 2023-24 Enacted State Budget, reinforcing our dedication to advancing the state's clean energy, environmental and social priorities.

We are at the forefront of developing new renewable power projects and implementing the innovative Renewable Energy Access and Community Help (REACH) program. Additionally, our commitment to workforce training in the clean energy sector ensures that current and future generations are prepared to thrive in a decarbonized economy.

Our transmission projects, such as Central East Energy Connect and Smart Path Connect, continue to expand NYPA's asset base and enhance the reliability and resilience of New York's energy grid. In 2024, we celebrated the one-year anniversary of the Central East Energy Connect and Smart Path projects, marking significant advancements in the state's largest transmission overhaul in decades.

NYPA's determination to decarbonize New York's energy system is a technical challenge and a moral imperative. The investment in our legacy hydropower facilities and the launch of large-scale renewable generation projects highlight our proactive approach to supporting the state's decarbonization and clean energy goals.

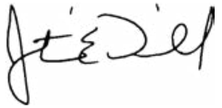
Our renewable generation strategy has been shaped by strong public engagement processes. In October 2024, NYPA published a draft Renewables Strategic Plan and held a robust public comment period. This extensive stakeholder engagement, which included 12 public hearings across the state, including one virtual session and input from more than 5,000 people, has ensured that our plans are informed by the communities we serve.

Our subsidiary, the New York State Canal Corporation, continues to be a vital economic driver. With the support of a $50 million capital investment from the state's Fiscal Year 2025 Enacted Budget, we are ensuring the Canal System remains safe and continues to benefit the communities along its banks. Celebrating the bicentennial of the Erie Canal this year, we are reminded of the historical significance and ongoing importance of this critical infrastructure.

NYPA remains committed to our core mission of providing clean, reliable and affordable energy. We are poised to deliver on this vision and bring lasting benefits to all who live and work in New York State.

I invite you to explore this report to learn more about the progress we are making towards a cleaner, greener and more equitable energy future.

Sincerely,



Justin E. Driscoll
President & Chief Executive Officer

02

ABOUT US

The Authority at a Glance

New York Power Authority

New York State Canal Corporation

2024 by the Numbers

About Our 2024 Integrated Report

The Authority **at a Glance**

The Power Authority of the State of New York, commonly referred to as the New York Power Authority, provides clean, reliable and affordable electricity for New York State. NYPA's subsidiary, New York State Canal Corporation (Canals),[1] operates, maintains and promotes the New York State Canal System.

Assets

17 generation facilities

Approximately **1,550** circuit-miles of transmission lines

6,000 megawatts (MW) approximately total installed capacity

80% of total installed capacity from hydropower and pumped storage facilities

More than **100,000** acres of owned or managed land and water

524 miles of Canal waterways

165 miles of the 424-mile Canalway Trail

Operations

25% of total energy generated in New York State

36% of carbon-free energy generated in New York State[2]

Customers

More than **1,100** power and energy services customers

- Large and small businesses
- Not-for-profit organizations
- Community-owned electric systems
- Rural electric cooperatives
- Government entities

Financials

$3.44B operating revenue

$11.35B total assets[3]

[1]Canals became a subsidiary of NYPA in 2017.

[2]NYPA's carbon-free energy is hydropower. Statewide carbon-free energy resources include hydropower, wind, solar and nuclear. The 2023–24 Enacted State Budget authorized NYPA to build, own or operate new renewable energy facilities.

[3]Includes deferred outflows.

New York **Power Authority**

Through customer partnerships, innovative energy solutions and the responsible supply of affordable, clean and reliable electricity, NYPA is leading the transition to a carbon-free, economically vibrant New York State. NYPA's workforce is committed to problem solving for public good, supported by a culture of diversity that fosters innovation and sustainability.

NYPA was founded in 1931 and is the largest state electric utility in the United States. We own and operate two large hydropower generating facilities; one pumped storage project; two fossil fuel-powered generating facilities; seven small natural gas power plants (SNGPPs), including four dual units; four small hydroelectric facilities; and one utility-scale battery energy storage system. NYPA provides customers with low-cost electricity without receiving any tax money or state financial credit.[1] In 2024, 83% of our power generation was clean, renewable hydropower, helping make New York State a national clean energy leader.

Our customers include municipal utilities and rural electric cooperatives; investor-owned utilities; high-load factor industrial customers; commercial/industrial and not-for-profit businesses; public entities; local towns, villages, school districts and fire departments; and neighboring states. We provide our customers with electricity and offer energy services to help them achieve their energy-efficiency, decarbonization and electrification goals. Our low-cost, clean hydropower promotes economic development and supports more than 450,000 jobs in New York State.

We continue to make strides in the four areas of responsibility identified in the 2023–24 Enacted State Budget, referred to commonly as NYPA's expanded authority, one of which grants us the authority to develop, own and operate renewable energy generation projects to help meet the state's clean energy targets. This work will build on our efforts of the past decade to modernize our hydropower projects and ensure the state's continuous supply of carbon-free electricity as well as expand New York's transmission system and more. Learn more on our website.

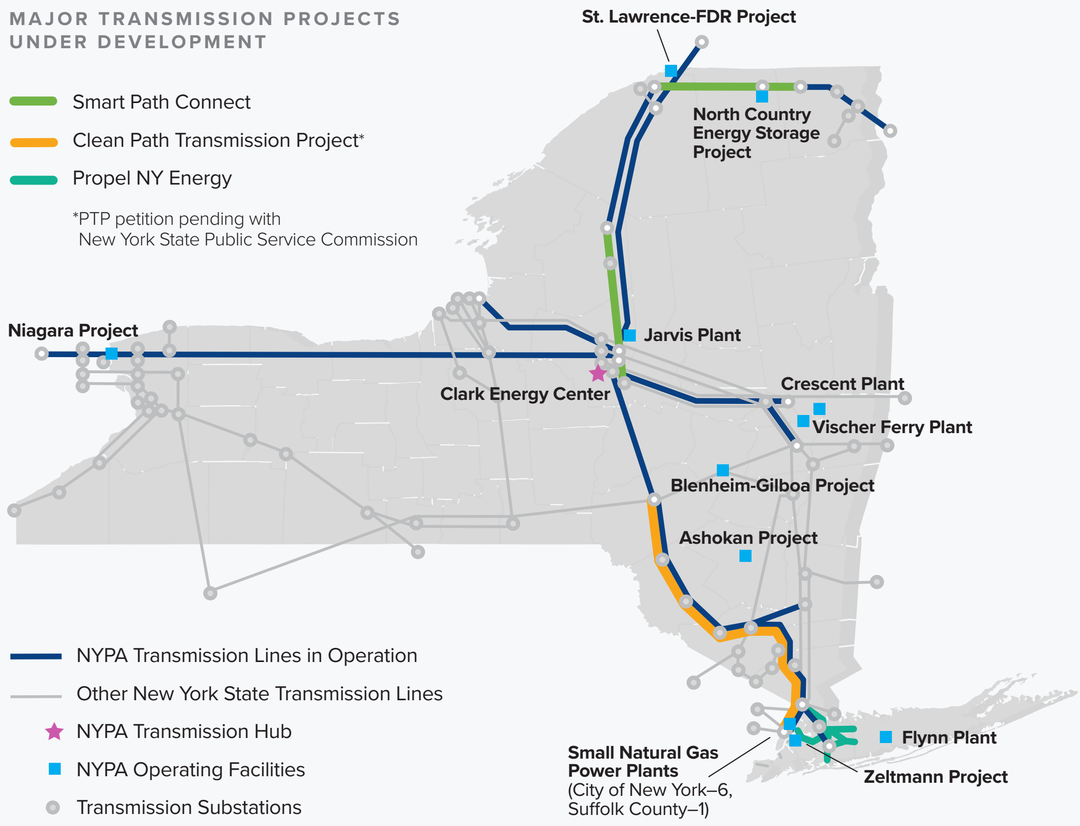
NYPA's Captive Insurance Company

In 2023, we formed the NYPA Captive Insurance Company (Captive), a wholly owned subsidiary of NYPA that provides coverage for risks not insurable in traditional commercial markets or that are prohibitively expensive to insure. Captive has created an efficient claims handling process that allows us to manage risks more effectively and reduce costs as we expand clean energy development. For more on Captive, see our 2024 Financial Statements.

New York Renewable Energy Development Holdings Corporation

In November 2024, New York Renewable Energy Development Holdings Corporation (NYRED) was established as a wholly owned subsidiary of NYPA to pursue renewable energy projects under the expanded authority. NYRED can develop new renewable generation while isolating NYPA from certain liabilities associated with renewables development.

[1]Canals receives state funding (see New York State Canal Corporation section on page 9).

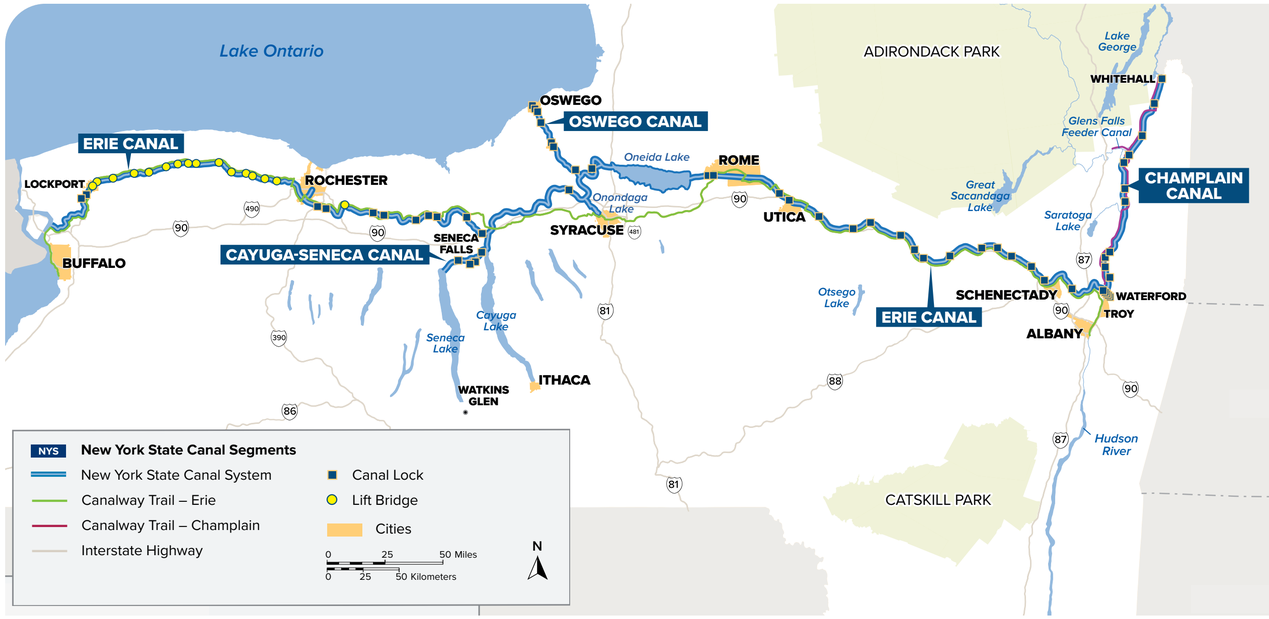


New York State
Canal Corporation

The mission of the New York State 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 promoting economic development throughout the canal corridor.

Canals, a wholly owned subsidiary of NYPA, operates, maintains and promotes the New York State Canal System, which includes the Erie, Champlain, Oswego and Cayuga-Seneca canals, and links the Hudson River with the Great Lakes, the Finger Lakes and Lake Champlain. It also includes 150 miles of the more than 424-mile Canalway Trail, which follows original towpaths running from Albany to Buffalo and from Albany to Whitehall.

Our Canals revitalization initiatives focus on strengthening the resilience of the Canal System's historic infrastructure and conserving the natural environments in which the Canals are located for generations to come. Learn more about our revitalization efforts on our website.



Canals Infrastructure

LOCKS

57 concrete chambers with gates on both sides that fill up with or release water to enable vessels to transit changing elevations.

EMBANKMENTS

More than 130 miles of water-impounding embankments carrying the canal above surrounding communities.

UPLAND DISPOSAL SITES

Upland disposal sites to store fill from dredging, ensuring navigable depth.

LIFT BRIDGES

16 lift bridges and two pedestrian bridges that carry traffic and pedestrians over the Erie Canal while providing clearance to allow transiting vessels to pass.

MOVABLE DAMS

Eight movable dams that artificially raise the water level of the Mohawk River to support navigation.
In addition to movable dams, there are about 100 fixed dams.

VESSELS

More than 100 vessels for positioning buoys during navigation season, removing debris, moving large equipment and more.

2024 **by the Numbers**

Preserve Hydropower and Decarbonize Electricity Generation

83%
of electricity generated by hydropower and pumped storage facilities

$1.398B
year-end net book value of hydropower generation assets, including modernization

22.6M
net megawatt hours (MWh) of hydropower generated

1.97M
metric tons carbon dioxide equivalent (CO_2e) Scope 1 emissions[1,2]

90,736
metric tons CO_2e market-based Scope 2 emissions[1]

7.48M
metric tons CO_2e reported Scope 3 emissions[1,3]

Revitalize the Canals

8,516
visitors for tourism, recreation and education (excluding trail users)

3.6M
number of trail users

40,640
metric tons commercial cargo transported

74,212
vessels in canal traffic/ lock-throughs

$21.5M
capital project investment

424
miles of Canalway Trail

Lead Transmission Expansion

97.6%
transmission system reliability

24
transmission line forced outage hours

$2.49B
year-end net book value of transmission assets, including modernization and expansion

Partner With Customers and the State

32%
savings across all power supply customers[4]

$55.5B
in cumulative customer capital investment commitments

450K+
in cumulative customer job creation/retention commitments

$205M
in energy-efficiency projects implemented at customer facilities

42,906
MWh conserved through customer energy-efficiency projects

26,296
metric tons CO_2e avoided through customer energy-efficiency projects

Supporting Our People and Communities

165
miles of Canalway Trail owned by Canal Corporation

43%
of total spend with local suppliers

$121.7M
spent with minority- and women-owned businesses

41.2%
female representation in executive leadership

29.4%
people of color representation in executive leadership

125,600
hours of training provided to employees[5] (regulatory, skill and developmental)

For more on NYPA's strategic priorities and performance, refer to Performance & Outlook.

[1]Scopes 1, 2 and 3 emissions: The Climate Leadership and Community Protection Act directs state entities to use 20-year Global Warming Potential (GWP) values from the Intergovernmental Panel on Climate Change Fifth Assessment Report (AR5; see page 3 in the New York State Department of Environmental Conservation [NYS DEC] 2024 Statewide GHG Emissions Report). Read the full Statement of Greenhouse Gas Emissions with Independent Accountants' Review Report (limited assurance, Scopes 1, 2, certain Scope 3 emissions and GHG intensities, 2024) thereon.

[2]Scope 1 emissions: The New York Independent System Operator (NYISO) controls the dispatch of New York State generating assets. NYPA's Scope 1 emissions fluctuate as our generating assets are selected for dispatch by the NYISO.

[3]Reported Scope 3 emissions include purchased goods and services (category 1), capital goods (category 2), upstream fuel- and energy-related activities not included in Scope 1 or Scope 2 (category 3), employee business travel (category 6) and employee commuting (category 7).

[4]Savings relative to estimated applicable local supply and delivery rates.

[5]"Employees" refers to active permanent, provisional and temporary employees, full-time and part-time, unless otherwise indicated.

About Our **2024 Integrated Report**

This report provides an overview of the operations and activities carried out by NYPA and its subsidiaries, Canals, Captive and NYRED (collectively, the Authority), from Jan. 1, 2024, to Dec. 31, 2024. Sections 1–6 of the report apply the International Integrated Reporting Framework of the IFRS Foundation (<IR> Framework). These sections aim to address the material matters identified in the Authority's 2024 materiality assessment. Section 7 of the report presents the Authority's 2024 audited financial statements.

Basis of Preparation for Sections 1 to 6

The Authority's 2024 Integrated Report applies the latest version of the <IR> Framework issued in January 2021 and aims to align with the most recent Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) standards for electric utilities and power generators. Unless otherwise noted, this report and the data presented encompass the 2024 calendar year.

The report follows leading methodologies and guidance, such as those developed by the Greenhouse Gas Protocol, the Climate Leadership and Community Protection Act and the New York State Department of Environmental Conservation. We are also compliant with Part 496 of the New York Codes, Rules and Regulations.

Non-financial and ESG data: The data in this report was collected by representatives from departments and facilities across the Authority. Estimations, exclusions and additions are noted where applicable. All disclosures are validated, reviewed and approved by the respective data owners and approved by the Authority's Executive Management Committee (EMC). The Authority has obtained independent limited assurance for Scopes 1, 2, certain disclosed Scope 3 greenhouse gas emissions and GHG intensities data but other nonfinancial information is not subject to audit or assurance by a third party.

About materiality: The terms "materiality" and "material matters" refer to matters identified in the Authority's 2024 materiality assessment as having the greatest potential impact on the organization and the greatest importance to our stakeholders. The Authority does not use materiality terms as they are used in securities laws or other laws in the U.S. or any other jurisdiction or as used in the context of financial statements and financial reporting.

Reporting uncertainties: Nonfinancial information is subject to measurement uncertainties inherent in the methods used for determining such data. The selection of different but acceptable measurement techniques and estimations can result in materially different measurements. The precision of different measurement techniques may also vary.

Forward-looking statements: Forward-looking statements in this report, including the messages from the President and CEO and the Chairman, may contain statements that, to the extent they are not recitations of historical fact, may constitute "forward-looking statements." In this respect, the words "may," "will," "could," "should," "plan," "predict," "schedule," "estimate," "project," "anticipate," "expect," "intend," "believe," "potential," "continue" and similar expressions or terminology, and the negative of these terms, are intended to identify forward-looking statements.

Any such forward-looking statements are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Some of the factors that could cause actual results to differ materially are discussed in the Authority's Financial Report for the year ended Dec. 31, 2024, available in Section 7 of this report, and other reports filed with New York State, and include effects of pandemics, changes in economic conditions, mandates from other governments, reduced governmental allocations and various other events, conditions and circumstances, many of which are beyond the control of the Authority.

These forward-looking statements represent the Authority's expectations only as of the date of this report, and the Authority disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Authority's expectations with regard thereto or any change in events, conditions or circumstances.

Intended use: Sections 1 to 6 of the 2024 Integrated Report were not prepared with a view to investment decisions by investors in any of NYPA's securities; Sections 1 to 6 of the 2024 Integrated Report are not suitable to serve as the basis for making any such investment decisions. Like other reports and documents posted on NYPA's website, Sections 1 to 6 are provided to interested stakeholders for general information only. NYPA makes no representation concerning the accuracy or completeness of the information contained in this Report for the purpose of making investment decisions. Investment decisions by investors in any of NYPA's securities should rely solely on the specific disclosure document prepared in connection with the applicable NYPA offering.

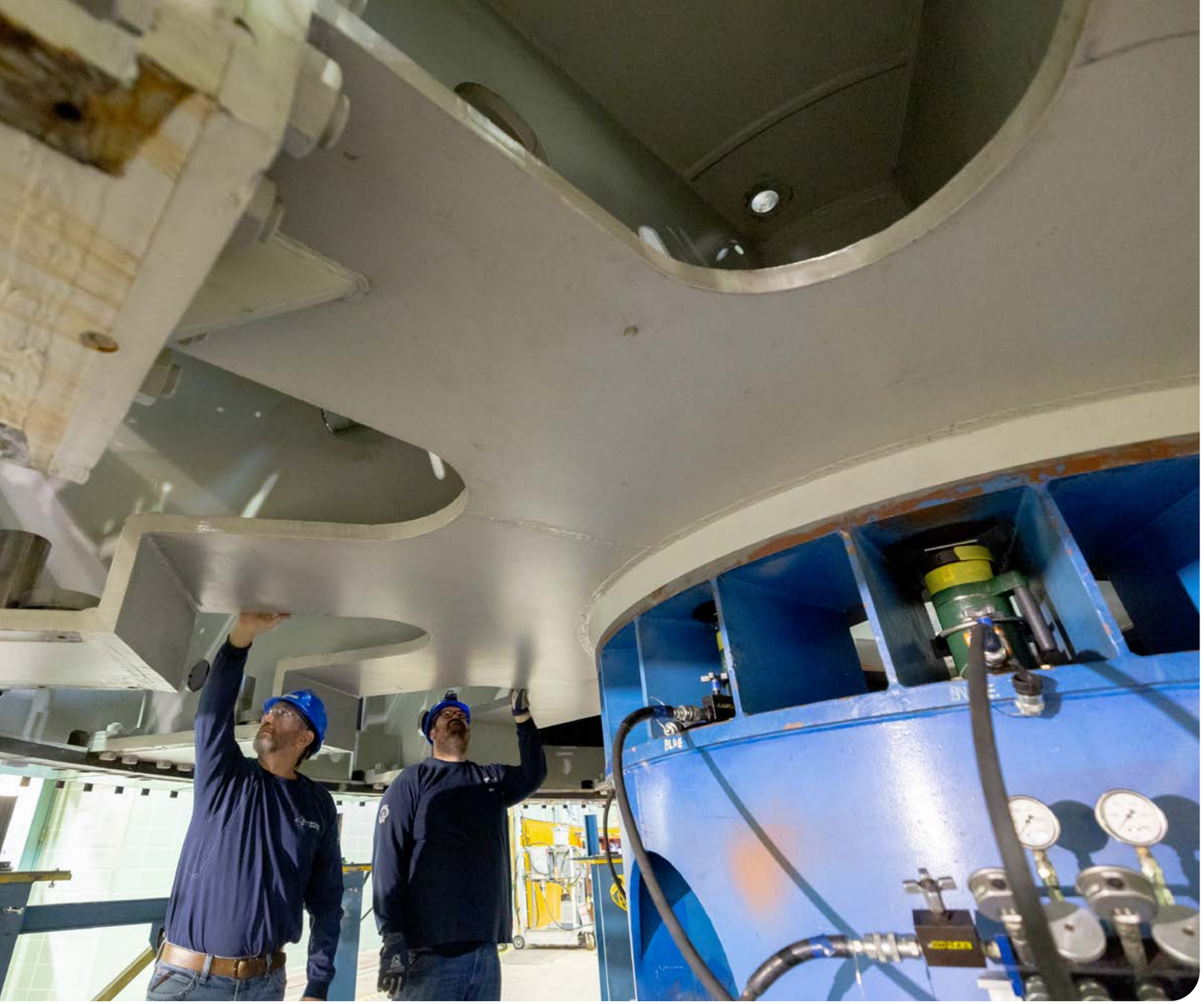
Abbreviations: The Power Authority of the State of New York (NYPA) is a corporate municipal instrumentality of the State of New York. NYPA has three subsidiaries: the New York State Canal Corporation (the Canal Corporation or Canals), NYPA Captive Insurance Company (Captive) and New York Renewable Energy Development Holdings Corporation (NYRED). In Sections 1 to 6 of this report, NYPA, the Canal Corporation, Captive and NYRED are collectively referred to as "the Authority." References to organization-specific goals, strategies and programs are indicated where relevant.

03 GOVERNANCE

Maintaining Sound Governance

Sustainability Governance

Risk Management



Maintaining **Sound Governance**

Our governance framework ensures we operate effectively and hold ourselves accountable for our actions.

We define roles and responsibilities at the Authority in line with New York State law and regulations, including the Public Authorities Law, the Public Authorities Accountability Act (2005), the Public Authority Reform Act (2009) and other laws applicable to the Authority. Our governance structure includes sustainability oversight and internal risk management controls that provide transparency and promote compliance.

Our Trustees and Directors

The New York Power Authority Board of Trustees and the New York State Canal Corporation Board of Directors oversee the governance practices of the organization. The same persons hold the offices for both boards and are responsible for decisions regarding financial structure, strategic plans, policies, performance and risk management, and authorize expenditures relating to implementation of our VISION2030 strategic plan.

The members of the NYPA board serve on two additional subsidiaries: the NYPA Captive Insurance Company and the New York Renewable Energy Development Holdings Corporation.

NYPA trustees and Canals directors are appointed by New York State's governor with the advice and consent of the New York State Senate. The members, who serve for staggered terms, are required to sign a public officer oath/affirmation, an Independent Board Member Status attestation and a Fiduciary Duties Acknowledgement. Within their first year of office, the members must complete the Public Authority Accountability Act (PAAA) training through the Authorities Budget Office. As board members, they are required to annually complete the New York State Ethics Financial Disclosure filing through the New York State Commission on Ethics and Lobbying in Government. They also engage in mandatory training of Ethics Codes of Conduct and Board Conflict of Interest Procedures through NYPA.

Board Committees

The trustees and directors serve on the following NYPA and Canals Joint Committees:

Finance Committee

The Finance Committee provides guidance to the trustees/directors regarding financial matters, including the issuance of debt.

Governance Committee

The Governance Committee keeps the trustees/directors informed of best governance practices, recommends updates to corporate governance principles, examines ethical and conflict of interest issues and reviews and recommends bylaws for conduct of business.

Risk & Resiliency Committee

The Risk & Resiliency Committee assists the trustees/directors in fulfilling their risk and resilience management oversight responsibilities.

Audit Committee

The Audit Committee oversees the work of the Internal Audit Department and monitors all internal and external audits as well as management's corrective action and implementation of plans for audit findings.

John R. Koelmel
Chairperson since 2012

Chair:
Finance Committee

Member of: Audit Committee, Governance Committee and Risk & Resiliency Committee

Michael J. Cusick
Board member since 2023

Member of: Finance Committee, Audit Committee and Risk & Resiliency Committee

Bethaida González
Board member since 2021

Chair:
Governance Committee

Member of: Finance Committee and Risk & Resiliency Committee

Cecily L. Morris
Board member since 2023

Chair:
Risk & Resiliency Committee

Member of: Finance Committee and Governance Committee

Dennis G. Trainor
Board member since 2017

Chair:
Audit Committee

Member of: Finance Committee and Governance Committee

Lewis M. Warren, Jr.
Board member since 2023

Member of: Finance Committee, Audit Committee and Governance Committee

Laurie Wheelock
Board member since 2023

Member of: Finance Committee, Audit Committee and Risk & Resiliency Committee

Executive Management Committee

The Executive Management Committee (EMC) is led by the President and CEO. The EMC is responsible for upholding the Authority's integrity as well as our commitments to stakeholders by driving the execution of our strategy, promoting a culture of accountability and applying best practices across our operations.

Justin E. Driscoll
President and Chief Executive Officer

Since 2021

Joseph Kessler
Executive Vice President and Chief Operating Officer

Since 2016

Adam Barsky
Executive Vice President and Chief Financial Officer

Since 2019

Lori Alesio
Executive Vice President and General Counsel

Since 2021

Daniella Piper
Executive Vice President and Chief Innovation Officer

Since 2023

Robert Piascik
Senior Vice President and Chief Information and Technology Officer

Since 2018

Alexis Harley
Senior Vice President and Chief Risk and Resiliency Officer

Since 2023

Charles Imohiosen
Senior Vice President, Communications and External Affairs

Since 2024

Karina Saslow
Senior Vice President, Human Resources

Since 2022

Board and EMC Diversity Metrics

Female
41.2%

Male
58.8%

Age 30 – 50:
23.5%

Over age 50:
76.5%

2024 Board Meeting Resolution Highlights

Our Trustees and Directors discuss and approve key resolutions year-round. See summaries of select 2024 resolutions below. All Board resolutions and discussion topics are publicly available in the meeting minutes published on our website.

In February 2024, NYPA arrived at an agreement for a new five-year contract with the Civil Service Employees Association, Local 1000, AFSCME and AFL-CIO. The labor union represents more than 380 Canals employees that operate and maintain the 524-mile New York State Canal System.

In October 2024, NYPA issued $450 million of Series 2024 A Revenue Bonds (Green Bonds). This issuance underscores the Authority's commitment to strong governance practices by supporting its capital plan, maintaining asset integrity and investing in infrastructure projects.

In the October meeting, the board adopted the resolution to approve the incorporation of NYRED and authorized up to $100 million in funding to support its 2025 capital investments and operations. In November 2024, NYRED was established as a wholly owned subsidiary of NYPA.

In December 2024, the board approved the Authority's nearly $4 billion, 2025–2028 capital plan. Our four-year Energy Efficiency Program, beyond this capital plan, is in excess of $1.4 billion.

Over the course of 2024, the board approved funding of $21 million to support the Authority's Clean Energy Workforce Development and Training Investment Initiative, in collaboration with the New York State Department of Labor.

Sustainability **Governance**

Managing Our Impact Responsibly

We recognize the importance of strong governance in achieving our sustainability goals. The Authority's Sustainability Policy defines relevant planning, execution, monitoring and reporting responsibilities, and requires us to create long-term and annual action plans.

Oversight Structure

Board of Trustees and Board of Directors

Oversees sustainability policies, programs, performance and management of risks relating to sustainability and climate change.

Risk & Resiliency Committee

A committee of the board that advises trustees and directors on matters relating to risk and resilience, inclusive of sustainability.

Executive Management Committee (EMC)

Sets strategic direction and upholds sustainability principles and commitments by applying best management practices across our operations.

Executive Risk & Resilience Management Committee

A committee of the EMC that helps the board fulfill its risk and resiliency management oversight and compliance responsibilities and monitors how the Authority manages sustainability programs and activities, including integrated reporting.

Sustainability Advisory Council

A cross-functional committee with representation from more than 30 departments that guides the sustainability strategy, oversees implementation of the Sustainability Plan and provides input to annual reports.

Sustainability Department

Leads the Environmental, Social and Governance Foundational Pillar and provides strategic guidance, oversight and reporting for sustainability and ESG matters, including climate change. Collaborates with the Sustainability Advisory Council to develop the sustainability strategy and Sustainability Plan.

Risk **Management**

Risk Governance and Culture

The Authority faces a range of uncertainties due to the level and pace at which the energy industry is changing. In this dynamic environment, we seek to execute our strategy and meet New York State goals and other regulatory directives in a manner that mitigates threats and increases opportunities for NYPA and our stakeholders. We employ a variety of risk management techniques to promote a resilient, safe and compliant culture with the understanding that we cannot eliminate or avoid all risks.

Our Risk and Resilience Policy and Risk Appetite Statements provide a common framework, consistent approach and clear escalation path for addressing risks across the organization. Our programs are guided by the principles of the International Organization for Standardization (ISO) 31000 Risk Management and Committee of Sponsoring Organizations (COSO) Enterprise Risk Management frameworks.

Risk Management in Action: Mitigating and Addressing Cyber Security Risks and Threats

NYPA is enhancing the cyber security capabilities of our more than 50 electric municipal and cooperative customers by working with them to develop mutually beneficial initiatives. Our Cyber Collective Defense Consortium (CCDC) is building and protecting New York State's energy grid by focusing on three initiatives:

Incident Response Readiness

We are enhancing cyber security skills within NYPA and across New York State's electricity sector with incident response plans, workshops, drills and exercises, and cyber security playbooks that aid in skills development.

Cyber Hygiene Assessment

We are actively identifying and addressing security gaps by regularly assessing risks with members of the CCDC and our federal and state partners. Constant monitoring of emerging threats to New York's electricity sector is critical to a reliable and secure power supply.

Collective Defense

We are developing, testing and executing field solutions for NYPA's municipal and cooperative customers, and identifying security gaps and requirements. We are also improving security responses by expanding access to actionable intelligence.

Risk and Resilience Lifecycle

The Authority incorporates risk management and resilience strategies into our day-to-day operations and our long-term planning activities. We employ a consistent process across the organization that is designed to support risk-informed decision-making.

Identify

We use a variety of internal and external tools, such as workshops, interviews, benchmarking, surveys and special working groups to identify risks.

Assess

We assess risk across multiple risk types (operational, asset, project and enterprise) using a standardized methodology that rates the likelihood and potential impact of each risk.

Respond

Our risk response plans typically seek to accept, avoid, transfer, share or mitigate risk through varying means such as internal controls, insurance or partnerships.

Monitor

Through key risk metrics, audit reports and trends analysis, we gain visibility into shifts in our risk profile. We also scan the horizon to look for developing or emerging risk issues and maintain a holistic view of internal and external risk drivers.

Report

Comprehensive risk reporting provides leadership with visibility into opportunities while escalating risks that have the greatest potential impact and/or that are most likely to occur.

Risk Assessment

All business units participate in a risk-assessment process. Beginning in 2024, this process transitioned from an annual assessment to biannual. We also enhanced our emerging risk and horizon-scanning process, which incorporates watchlists and scenario thinking. Assessment outputs are aggregated into a risk profile that is shared with all levels of the organization. Executive leadership reviews the risk profile in the context of the Authority's risk exposure and risk appetite before discussing the results with the Board of Trustees and its Risk & Resiliency Committee.

The Authority maintains its enterprise, asset, project and operational risk information in a central Enterprise Governance, Risk and Compliance system. The system also houses risk-related data from departments such as Internal Audit, Internal Business Controls, Insurance, Compliance, Sustainability and Resilience.

Risk Appetite

Risk appetite[1] is fundamental in guiding our decision-making processes and ensuring that we maintain a balanced approach. In 2024, we reviewed and updated NYPA's Risk Appetite Statement and created a separate and distinct Risk Appetite Statement for Canals. We conducted a comprehensive stakeholder engagement process concurrently with the refresh of our VISION2030 strategy and weighed risks and rewards against 10 risk appetite categories. Our Risk Appetite Statements set forth the level of appetite agreed to by leadership for each category.

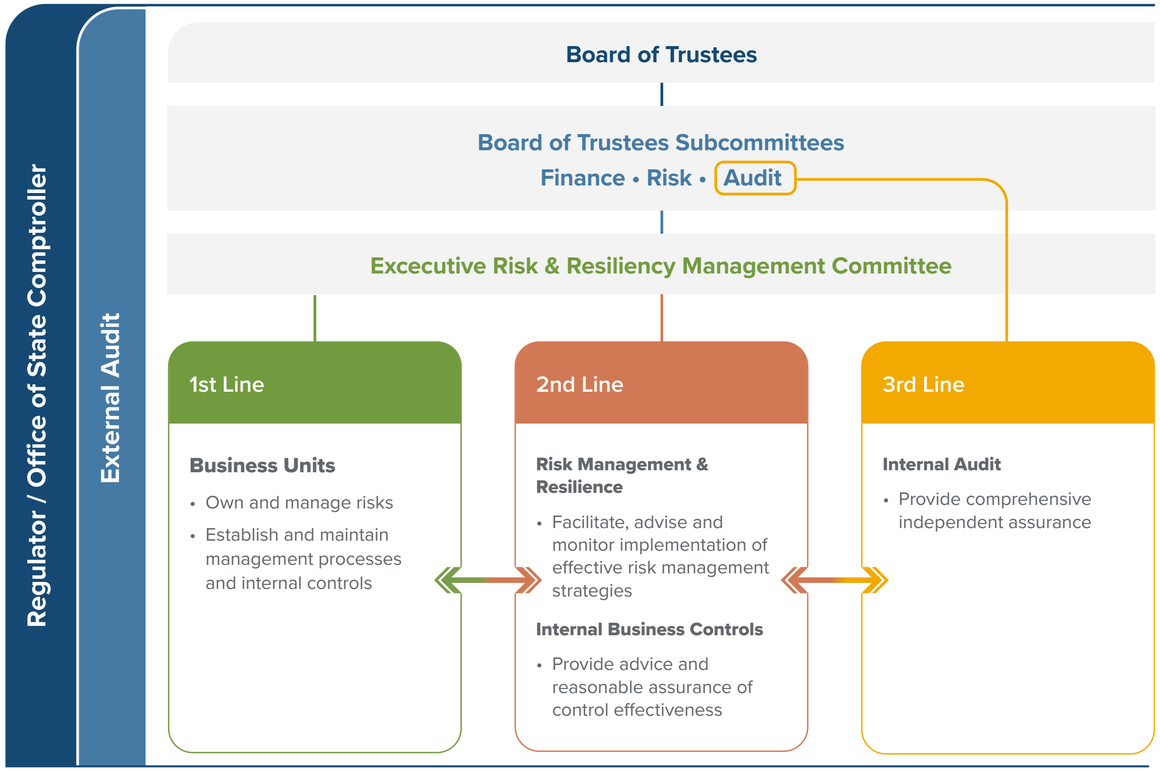
The Authority's risk-scoring methodology integrates exposures with responses to enable us to see how our risk profile aligns to our risk appetite. This provides decision-makers with a holistic view that helps inform next steps.

Our Risk Appetite Categories

- Financial Capacity and Availability of Capital
- Cyber and Physical Security
- New Venture and Strategic Initiative
- Legal, Regulatory and Compliance
- Extreme Weather
- Operations
- Supply Chain and Third Party
- Safety and Environmental
- ESG and DEIA
- Talent Management and Labor Relations

Three Lines of Defense

Three Lines of Defense is a best practice risk-governance model that establishes roles and responsibilities among business units, assurance functions and oversight bodies. NYPA's assurance functions provide a formal framework for managing risks, supporting compliance monitoring and contributing to continuous improvement initiatives. Regulators, Office of State Comptroller and external auditors serve as additional external and independent oversight bodies, ensuring a robust and effective governance model. This governance model helps us escalate risk information to the right people, at the right level, at the right time. Through this model, we promote risk management, resilience and compliance across all levels of the Authority.



[1] Our Enterprise Risk Management Policy defines risk appetite as "the amount of risk or opportunities the Authority is willing to accept in pursuit of its mission." This includes factors that could enhance or threaten the likelihood the Authority will achieve its business and/or strategic objectives.

Driving a Compliance Culture

The EMC and the Board of Trustees' Audit, Governance, Risk & Resiliency, and Finance committees oversee matters related to compliance and controls. Key elements of our compliance framework are described below.

Code of Conduct and Anti-Retaliation Policy

The Authority's Code of Conduct identifies expectations for responsible and professional workplace conduct aligned with the New York State Public Officers Law. Our Anti-Retaliation Policy prohibits harassment, discrimination and retaliation of any kind against employees who report or assist in the investigation of unethical behavior. These organization-wide policies are supported by department-level policies and procedures that promote ethical conduct. Our Code of Conduct and Anti-Retaliation Policy apply to all employees and the Board of Trustees, and are approved by our trustees.

Allegations of violations of these policies and other governance standards may be reported through the appropriate channels provided internally by NYPA and externally by federal, state and local oversight bodies. We are continuously seeking to improve. As part of that process, our policies are reviewed regularly, and corrective actions are implemented on a regular basis.

Ethics and Compliance Training

We foster compliance with statutory and regulatory requirements through training, skill development and management courses, and catalog and monitor mandatory employee reporting and training obligations. Our Compliance Repository plays a critical role in NYPA's Corporate Compliance Program by enabling the Ethics and Compliance Office to inventory and track approximately 360 mandated reporting and training activities.

All trustees and employees receive annual mandatory ethics training and certify each year to having reviewed the Code of Conduct and Board Conflict of Interest Procedure. The training includes guidance to deter bribery, corruption, fraud, waste and abuse in state government. Trustees and employees are instructed on restrictions involving conflicts of interest, outside activities, securities ownership and prohibitions against soliciting or accepting gifts intended as a gratuity for carrying out official duties or an inducement to perform official acts.

All allegations of wrongdoing are investigated either internally or in conjunction with external authorities. We collaborate with the state Office of the Inspector General and the state Commission on Ethics and Lobbying in Government on complaints and investigations within their respective jurisdictions.

Regulatory Management

The Authority works closely with regulatory agencies to ensure compliance with all relevant laws and regulations. We participate in and monitor federal and state statutory and regulatory proceedings. We believe that staying informed and engaged with the latest regulations is essential to maintaining the highest levels of compliance, integrity and transparency.

04 STRATEGY & VALUE CREATION

VISION 2030:
Our Strategic Plan

Understanding Our
Value Creation Process

Our Value Creation Model

VISION2030: **Our Strategic Plan**

VISION2030, the Authority's 10-year strategic plan, guides our work and helps prioritize our investments and activities.

New York State's Climate Leadership and Community Protection Act (CLCPA) sets forth a plan to decarbonize the state's electricity grid by 2040 and reach a carbon-neutral economy by 2050. The legislation aims to ensure the availability of sustainable, reliable and affordable power for all New Yorkers and to promote growth in clean energy technology and electrification.

The Authority's VISION2030 aligns with and supports CLCPA goals. It also reinforces our commitment to put the people of New York first, stimulating job creation and capital investment, and contributing to a stronger economy.

During 2024, we undertook a process to refresh VISION2030 to reflect new priorities and emerging opportunities, including NYPA's expanded authority and other related directives.[1] The resulting plan, VISION2030 Renewed, was approved by the board in March 2025. VISION2030 Renewed presents an evolved, strategic commitment over the next five years to accelerate New York State's renewable energy goals, modernize energy transmission, deepen customer partnerships and revitalize the Canal System.

This report reflects our performance for 2024 and is based on the 2024 strategic priorities in VISION2030.

[1] NYPA's expanded authority and other related directives were granted to us by New York State lawmakers in the 2023–24 Enacted State Budget, specifically, Part QQ of Chapter 56 of the Laws of 2023. See the Decarbonize Electricity Generation section of the report for more detail.

Strategic Priorities and **Foundational Pillars**

VISION2030 outlines the Authority's five Strategic Priorities and five Foundational Pillars that together represent the building blocks of our strategy

Strategic Priorities

1

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

2

Pioneer the path to decarbonization by acting as a testbed for innovation while ensuring reliability, resilience and affordability of New York State's energy grid.

3

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

4

Partner with our customers and government entities to advance the state's energy goals in alignment with the CLCPA by providing clean and affordable energy along with innovative customer solutions.

5

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

Foundational Pillars

Digitalization: Leverage connectivity, analytics and cutting-edge digital infrastructure to optimize our physical and data assets, enable our workforce and empower our customers.

Environmental, Social and Governance: Fully integrate Environmental, Social and Governance principles (ESG) into the Authority by transforming leadership practices; expanding the sustainability function to encompass strategic guidance, oversight and reporting for ESG issues; and demonstrating our commitment to ESG over the long term by issuing a sustainability plan and annual integrated reports.

Diversity, Equity and Inclusion: Create an environment where every employee, business partner and community advocate feels valued. Ensure an internal culture of inclusion, a diverse supplier base and a commitment to environmental justice.

Resilience: Accelerate the adoption of an enterprise-wide resilience strategy to prepare for a more distributed and uncertain operating environment.

Resource Alignment: Ensure our workforce is as skilled and flexible as possible, access to information and knowledge is readily available and our core business processes are optimized.

Key VISION2030 **Goals and Targets**

Our value creation story addresses the challenges faced by New York State, including mitigating and adapting to the rising impacts and inequities caused by climate change. We have set a target for the decarbonization of generated electricity by 2035, five years ahead of the state's target, to help accelerate New York's decarbonization efforts.

New York State CLCPA Goals and Targets

Electricity Targets

70%
renewable by 2030

100%
emissions-free by 2040

Renewable Targets

10 GW
distributed solar by 2030[1]

6 GW
storage by 2030[2]

9 GW
offshore wind by 2035

Economy-Wide Targets

185 trillion
British Thermal Units (Btu) reduction through energy efficiency by 2025

40%
GHG emissions reduction by 2030 from 1990 levels

85%
GHG emissions reduction by 2050 from 1990 levels

35%
minimum of benefits from clean energy and energy-efficiency investments for disadvantaged communities, with goal of 40%

Our Goals and Targets

Preserve Hydropower

- Maintain hydropower's contribution to the grid by generating at least 21 Terawatt-hours of carbon-free electricity, providing capacity and critical ancillary services

Decarbonize Gas Plants

- Cease production of electricity from our carbon-emitting small natural gas power plants by 2030, provided certain environmental, emergency power and reliability conditions are met[3]

Lead Transmission Expansion

- Grow transmission rate base by three to five times by 2030

Partner With Customers and the State

- Enable 325 MW of distributed solar at customer sites by 2028
- Enable 450 MW of storage projects by 2030
- Conserve 11 Tbtu of customer energy use by 2025
- Grow the contracted supply business by 15% by 2025
- Respond to the CLCPA goals to provide available and relevant resources to disadvantaged communities

Revitalize the Canals

- Execute on Canal Revitalization Projects by 2025

[1] On Dec. 17, 2021, New York Gov. Kathy Hochul announced a framework for the state to achieve at least 10 gigawatts (GW) of distributed solar by 2030. On April 14, 2022, the New York State Public Service Commission (PSC) expanded the installation target of the NY-Sun program from 6,000 MW to 10,000 MW of distributed solar generation projects.

[2] On Jan. 5, 2022, New York Gov. Kathy Hochul announced in her State of the State address an intention to increase the state's 2030 legislated 3 GW of storage to 6 GW of storage by 2030.
At its June 2024 session, the PSC approved an order expanding New York's energy storage target to 6 GW by 2030 with an interim goal of 1.5 GW by 2025.

[3] Detailed small natural gas power plants environmental, emergency power and reliability conditions can be found in the expanded authority legislation, PAL § 1005 (27-c).

Stakeholders

The Authority aims to establish strong stakeholder relationships built on trust. Through open dialogue and continuous engagement, we can better understand stakeholder needs and identify opportunities to address them. An in-depth assessment of the impact of the Authority's operations on our stakeholders and stakeholder expectations informed the development of VISION2030, our materiality assessment and our Sustainability Plan.

Key Stakeholder Groups

New York State

Public entities, offices and committees

- We support New York State's commitment to decarbonization, economic development, environmental stewardship and sustainability

Employees

People who work at the Authority, including represented employees, non-represented employees and retirees

- We offer competitive wages and benefits to our employees and provide opportunities for career development and training
- We ensure our policies and practices promote equity, health, safety and well-being and work to establish fair contracts that support our unionized employees

Customers

Public entities, municipal and rural cooperative electric systems, non-profits and eligible private commercial and industrial organizations

- We invest in generating reliable and affordable clean energy, maintaining low energy costs for public services (including hospitals, public housing and public transportation), promoting growth and competition for businesses and industries, and supporting local economies through customer job creation and retention

Suppliers

Organizations that partner with us to provide materials, products and services for operating and maintaining assets and implementing capital projects

- We provide economic development opportunities to local and diverse suppliers while promoting socially and environmentally responsible practices

Communities

Communities that host the state's canals and our power generation and transmission facilities and operations, including community and environmental advocacy organizations in the areas where we work

- Our low-cost power helps create and retain jobs in New York State
- We implement habitat restoration and recreation projects as part of our relicensing agreements
- We provide communities across New York State with resources such as admission-free visitors centers, educational programs and career development opportunities that help foster a just transition
- We provide our communities with free outdoor educational adventures that can be enjoyed on and near the Canal System

Industry Partners

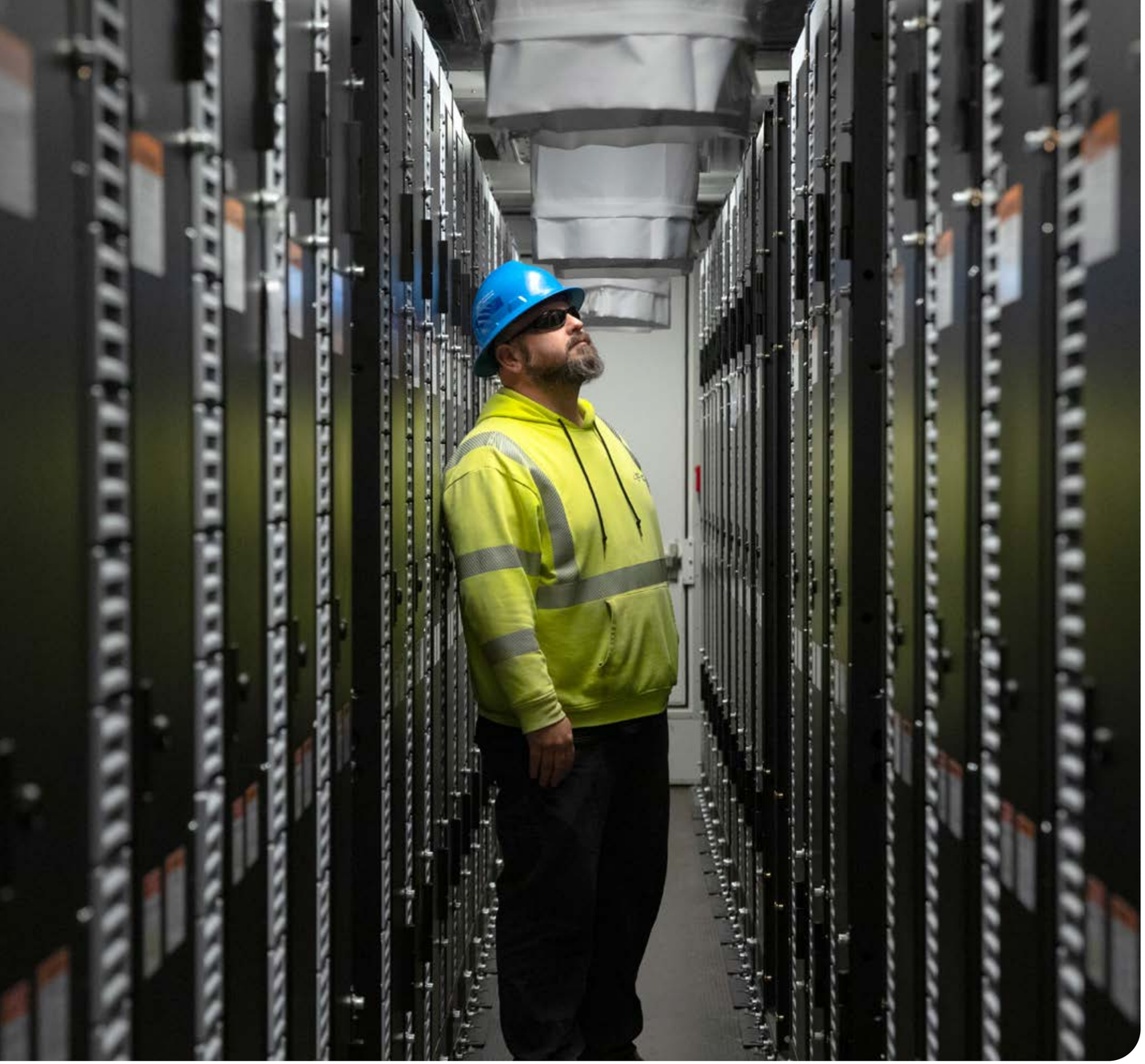
Partners that support clean energy development, research, innovation and advocacy

- The Authority drives transmission and renewables development and acts as a testbed for innovation. We collaborate with industry partners in joint ventures and share expertise and resources to help advance decarbonization and electrification

Investors

Holders of NYPA's bonds

- NYPA issues bonds to finance certain capital expenditures. We maintain our Aa1/AA/AA/AA+ credit rating by adhering to covenants and reserve requirements, maintaining a strong financial profile, and making timely interest and principal payments on our obligations



Sustainability & Our **Material Matters**

The Authority seeks to understand the interdependencies inherent within our value creation process. We know these can impact customers and other stakeholders, as well as “silent” stakeholders like the natural environment.

Our ability to create value requires an assessment of opportunities, risks and trade-offs across the following types of capital: financial, manufactured, intellectual, human, social and natural.

The materiality assessment process helps us identify areas where we may have the greatest potential for impact. Insights from the assessment guide our efforts to integrate sustainability in our operations and optimize value for stakeholders.

2024 Materiality **Assessment and Results**

In 2024, the Authority conducted a materiality assessment to identify areas that most significantly affect our value creation process and where we have the greatest opportunity to generate value for our stakeholders. As a public authority, we consider the impact of the external environment (society and the natural environment) on our operations as well as the impact of our operations on the external environment. This approach to assessing materiality is not only a core element of integrated reporting, but also provides a foundation for sustainability plan development.

Our 2024 assessment was comprised of the following steps:

1

Identification of Relevant Topics

We reviewed the Authority's risk register, leading sustainability standards (including the Global Reporting Initiative and the Sustainability Accounting Standards Board), peer disclosures, and market and industry reports to create a list of priority topics. Topics were identified based on potential impact to value creation, stakeholders and the environment.

2

Stakeholder Engagement and Impact Assessment

We engaged with key stakeholders across the organization to assess each topic based on the relevant impacts of the external environment on our operations and of our operations on the external environment.

3

Prioritization and Validation

We refined the prioritization of topics by incorporating other factors such as business priorities and emerging risks and opportunities and validated the material matters with the Executive Management Committee.

Our Material Matters

These matters will guide the development of our sustainability strategy and our 2026–2030 Sustainability Plan.

Climate change mitigation and adaptation

Environmental stewardship

Health and safety

Energy reliability and resilience

Energy access and affordability

Employee development and engagement

Community vitality

Supply chain management

Financial health

Cyber and physical security

United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are a global call to action to achieve a more sustainable and equitable future for all. The 17 interlinked global goals were adopted in 2015 by the United Nations General Assembly and are intended to be achieved by 2030.

We are working toward the transition to a carbon-free, economically vibrant New York State and the responsible supply of affordable, clean and reliable electricity. In alignment with the SDGs, our products and services aim to contribute to mitigating climate change and increasing the resilience of our operations, the communities we work with and our natural environment.

While we support all the SDGs, the Authority's efforts most closely align with and support the six goals identified here. See the Disclosures Index for our performance against these goals. We will continue to report on progress as we advance in our reporting journey.

Green Revenue Bonds

The General Resolution Authorizing Revenue Obligations, adopted by NYPA on Feb. 24, 1998, as amended and supplemented (the "General Bond Resolution"), authorizes the issuance of obligations for all NYPA projects, ensuring that rates, fees and charges are sufficient to meet financial requirements.

In October 2024, NYPA issued $450 million in Revenue Bonds, Series 2024 A (Green Bonds), marking its second Green Bond issuance under the General Bond Resolution. For details on the Green Bonds, please see the disclosures in our Financial Report. These bonds are in addition to Green Transmission Project Revenue Bonds issued in 2022 and 2023.

The Authority has established the New York Power Authority Green Bond and Green Commercial Paper Notes Framework to issue green bonds and notes for financing renewable energy, green building and efficiency projects, with proceeds aimed at supporting clean energy generation and enhancing energy efficiency across its operations. The instruments issued under the New York Power Authority Green Bond and Green Commercial Paper Notes Framework are expected to advance SDG 7 Affordable and Clean Energy and SDG 9 Industry, Innovation and Infrastructure.

Understanding Our **Value Creation Process**

The Authority applies the Integrated Reporting <IR> Framework to assess and communicate how our business model, strategies and activities create, preserve and erode value and where we may face challenges in achieving our goals. Our Value Creation Model on the next page provides a summary of our 2024 inputs, outputs and outcomes, reflecting the fundamental concepts of value creation and capitals of the <IR> Framework.

The Value Creation Framework

Capital Inputs	Processes	Outputs	Outcomes
The resources we need to operate our business		Key products and services that result from our business activities, such as electricity generated, delivered or stored, and customer energy services	Internal or external consequences of our business activities and outputs—outcomes can be negative or positive

Our **Value Creation Model**

Capital Inputs	Processes	Outputs	Outcomes

Capital Inputs

Financial

- Internally generated funds
- Debt raised
- Grants received
- State[1] and federal funding

Manufactured

- 17 power generation facilities
- Approx. 1,550 circuit-miles of transmission lines
- Substations
- Canals infrastructure
- 179 EV chargers and 184 light-duty electric vehicles across NYPA and Canals
- Admin/support buildings and IT infrastructure
- 4 visitors centers

Intellectual

- Over $10 million in R&D investments
- $17.7 million in grants for R&D projects
- Strategies, policies, programs
- Information technology/software
- Brand and reputation
- Management and control systems
- Integrated risk management
- Project management

Human

- 2,725 employees
- Diverse workforce
- Health and safety policies
- Employee career development
- Employee skills and expertise
- 125,600 employee training hours
- NYPA recruiting policies

Social

- 1,157 customers
- Partnerships with New York State entities
- Relationships with communities
- 1,578 suppliers
- Collaboration with utility, research and industry organizations

Natural

- 3.0 T kL water withdrawn and 6.8 M kL water consumed
- 65.1 M MMBTU natural gas and 142,331 MMBTU ULSD consumed for power generation (include certified gas procured)
- 100,000+ acres of owned or managed land and water
- 524 miles of Canal waterways
- 416,428 MMBTU total energy consumed by NYPA operations
- Renewable energy resources and biodiversity
- 165 miles Canals-owned and maintained trails

Processes

[1] The 2024–2025 Enacted State Budget appropriated $50 million to the Canals for services, expenses and indirect costs related to maintenance, repair, construction, reconstruction, development and preservation of the Canal System.
[2] EBIDA represents net income (loss) before interest expense, depreciation and amortization and is a non-GAAP financial measure.
[3] Such relicensing grants are only for the Niagara, St. Lawrence-FDR and Blenheim-Gilboa hydroelectric plants.

Outputs

Products

- **27,414,161 MWh** total net electricity generated
- **22,624,966 MWh** electricity generated by hydropower and pumped storage facilities
- **40,177,000 MWh** electricity delivered

Services

Canal navigability

- **74,212** watercrafts passed through canal locks
- **40,640 MT** commercial cargo transported

Canal recreational activities

- **8,516** visitors for tourism, recreation and education (excluding trail users)
- **3.64M** number of trail users

Customer energy efficiency, electrification and renewable energy services

- **26,296 MT** in customers' avoided GHG emissions

Emissions & Waste

GHG emissions generated

- **1.97 M MT** Scope 1
- **90,736 MT** Scope 2 (market-based)
- **7.48 M MT** reported Scope 3

Air emissions generated

- **165,358 kg** NOx
- **10,122 kg** SOx
- **34,720 kg** Total Particulate Matter (unspeciated)

16.0 MT total hazardous waste generated

Outcomes

Financial

- $3.44 billion in operating revenue
- $72 million in investment income
- $623 million EBIDA[2]
- $461 million in addition to capital assets
- Predictable cash flow
- Upgrade by credit rating agencies
- Relicensing grants to communities[3]

Power sales, transmission and delivery, our principal source of operating revenue, generated over $3.38 billion in 2024. Additional financial capital was raised through Green Bonds to support our capital plan and infrastructure projects.

Manufactured

- Increased integration of renewable energy
- Improved efficiency, resilience and reliability of generation assets
- Hardening of existing and development of new transmission assets resulting in a more reliable and resilient grid
- Planning for the acquisition and development of new renewable energy generating projects
- Electrification of vehicles
- Energy-efficient buildings
- Transmission congestion reduction

We continued investing in the development and resilience of our assets, focusing on transmission assets and launching new renewable energy projects statewide.

Intellectual

- Innovative solutions that improved the safety, reliability and resilience of electricity generation and transmission
- Increased customer value
- Enhanced reputation as "trusted advisor"
- Increased efficiency of systems and processes

We enhanced our intellectual capital through innovation, digitalization and collaborative research on energy technologies, strengthening project delivery and increasing our social and relationship capital.

Human

- Enhanced diversity recruitment
- Prioritized employee health and safety
- Upskilled workforce
- $483 million in employee benefits
- 27% NYPA and 91% Canals employees represented by unions
- Workforce training

We increased value for employees by offering competitive wages, benefits, career opportunities and diversity programs. We also prioritized health and safety.

Social

- Support for customer sustainability targets
- Community revitalization
- 43% local supplier spend
- $122 million spent with Minority- and Women-Owned Business Enterprise

We strengthened our social capital by supporting customers and local communities with programs that drive economic growth and employment, customer decarbonization and workforce development

Natural

- 3.0 trillion kL of water recycled and reused
- Water management including flood mitigation
- Natural carbon sequestration and storage
- 5,021 acres of wildlife habitat protected, restored or impacted
- Progress toward state decarbonization goals
- 255,439 kWh renewable electricity generated (solar)

Efforts to protect and preserve natural capital increased with the modernization of our hydropower assets, expansion of transmission, and development of our renewable energy strategy.

05 PERFORMANCE & OUTLOOK

- Preserve Hydropower
- Decarbonize Electricity Generation
- Lead Transmission Expansion
- Partner With Customers and the State
- Revitalize the Canal System
- Supporting Our People and Communities
- Looking Forward

1

STRATEGIC PRIORITY

Preserve and enhance the value of our hydropower assets

Preserve **Hydropower**

Hydropower is a source of reliable, renewable, low-cost electricity for New York State. It supports a cleaner, more resilient grid by providing a baseload electricity supply that can also balance the fluctuations of other renewable energy sources and adjust to daily and seasonal changes in supply and demand. Hydropower also contributes significant economic benefits to the state by providing affordable power for public services and New York-based businesses and supporting job creation and retention.

We preserve our hydropower assets by implementing comprehensive upgrades, investing in new research and development (R&D) and maintaining a competitive market presence. In 2024, this work included the continued modernization of assets at our Niagara Power Project through Next Generation Niagara and the monitoring of asset performance at our Integrated Smart Operations Center. We also continued to work closely with the New York Independent System Operator (NYISO) to monitor the grid and provide stable access to power statewide.

We follow a four-part strategy to preserve the value of hydropower and maintain NYPA's competitive presence in New York's power market: (1) ensure policymakers understand the value of hydropower and that market rules compensate hydropower assets; (2) keep our assets in working order; (3) make investments to improve the market competitiveness and flexibility of our assets; and (4) engage contracting arrangements that maintain our competitive position alongside subsidized assets.

2024 Key Hydropower Metrics

Net Generation MWh (total Niagara, St. Lawrence-FDR, Blenheim-Gilboa, small hydropower plants)

22,624,966
net MWh of hydropower generated

$1.398B year-end net book value of
hydropower generation assets, including modernization

Modernization of Hydropower Assets

Hydropower is the largest source of clean electricity in New York State. Investing in modernization of our hydropower assets ensures the continued reliability, efficiency and safety of our power plants. Upgrading our facilities extends their operational life and enhances their capability to meet current and future energy demands as well as the state's energy goals.

Next Generation Niagara

Next Generation Niagara is the largest capital project in NYPA's history and a key element of our strategy to preserve the value of hydropower. The multi-year, $1 billion-plus modernization and digitalization program will improve the reliability and operational efficiency of the Niagara Power Project by replacing equipment in need of upgrades and extending the life of current assets. It will also incorporate advanced digital technologies, such as digital sensors and state-of-the-art control systems, to optimize the project's performance.

In 2024, we continued to overhaul and modernize components of the turbine-generator units. In addition, we made significant progress on the design and build of a new gantry crane that is essential for planned mechanical upgrades. The crane has a lift capacity of 680 tons, as well as bird-deterrent and closed-circuit television systems.

We also continued work on a Life Extension and Modernization Program at the Niagara project's Lewiston Pump-Generating Plant. The program includes an overhaul of the plant's 12 pump turbine generator units. The upgrades will increase pump, turbine and operating efficiency of the Niagara Power Project.

Rotor Modifications at St. Lawrence-FDR Power Project

2024 marked a significant milestone in ongoing repairs and upgrades at St. Lawrence-Franklin D. Roosevelt Power Project with the completion of repairs on the eighth rotor, signaling the midpoint of this initiative. This project will extend the life of the rotors and prevent further damage or forced outages. Initiated in 2010 after discovering cracks in a rotor—the central component that ensures balance and alignment crucial for efficient operation—the project has evolved into a comprehensive repair plan for all 16 rotors. Most of the work is being performed by NYPA, which helps reduce overall costs and develops internal knowledge base.

With half of the rotors now refurbished, the project has reinforced the operational integrity of the power project and streamlined inter-departmental coordination, significantly enhancing efficiency for future phases.

NYISO and Balancing Intermittency

The competitive landscape for hydropower continues to shift in New York State, where subsidized wind and solar resources pose short-term economic challenges. Within this shifting market, hydropower assets are assuming a more complex role.

NYPA participates in the NYISO's electric market, which includes economically offering the generated power into the market. The adaptability of NYPA's hydropower units enables a swift response to system needs during high-demand periods in addition to allowing for rapid adjustments in generation to support the availability of intermittent renewable resources. Depending on the state's energy needs and availability of energy from intermittent renewable resources, NYPA's hydropower facilities may be called on to quickly ramp up or ramp down generation.

These operational demands increase wear on our generating assets, raising operational and maintenance costs and shortening the life of components. In 2024, we completed strain testing and numerical modeling at the Robert Moses Niagara Power Plant to predict the acceleration in fatigue life of runners (turbine blades) and other components. Our testing and modeling validated the degredation rate and will allow us to anticipate the useful life of critical components. It will also inform design and operation of the facility going forward to better support integration of intermittent renewable resources.

Our Blenheim-Gilboa Pumped Storage Power Project (B-G) and Lewiston Pump-Generating Plant pumped storage facilities are key contributors to grid stabilization and support the integration of intermittent solar and wind resources. They enable us to store water for electricity generation during peak periods and to meet power needs as daily demand fluctuates. They also provide critical black start capabilities that restore the state's electric service during blackouts.

Managing Asset Performance and Promoting Reliable and Safe Operations through Data Analytics

Building upon NYPA's ISO 55001 asset management certification, we have taken a data-driven approach to optimizing the performance of our critical assets. This starts with executing a Reliability Centered Maintenance program, where we define key maintenance plans and inspection data points and capture them using advanced technologies such as sensors, robotics and mobile inspection. We continuously monitor the performance of our equipment by leveraging analytics.

NYPA's Integrated Smart Operations Center (iSOC), established in 2017, is an integral part of our asset management program. The iSOC gathers data through real-time sensors and other inspection tools to generate models, or digital twins, that enable early detection of potential equipment failures. More than 146,000 data points and 879 digital twins have been deployed in the iSOC to date, with the capacity to expand to support NYPA's growing generation and transmission portfolio.

Sustainability Spotlight: **Impacts of Climate Change on Hydropower**

The production of hydropower is significantly affected by climate variability, regional hydrology and regulatory practices. One critical watershed for NYPA is the Great Lakes Region which governs flows at our two largest hydropower facilities—the Niagara and St. Lawrence-FDR power projects. According to the best available scientific research, the long-term impacts of climate change are expected to increase variability in Great Lakes water levels, with a modest rise in average water levels over time. Our other hydropower generating facilities are located within various New York State watersheds, where precipitation—the primary driver of flows at these facilities—is projected to increase by 6% to 17% statewide by 2080, compared to the 1981–2010 baseline.[1]

NYPA is leveraging scenario planning to gain a comprehensive understanding of the potential physical, operational and transitional impacts of climate change on our hydropower facilities. This strategic approach will enable us to better understand, predict, mitigate and adapt to the effects of climate change on our operations and the power grid.

We are investing in hydrological forecasting and data analytics to enhance our understanding of variability in Great Lakes water levels and their potential impact on hydropower generation. We are also developing an advanced hydropower generation forecasting model. This sophisticated model utilizes complex algorithms to achieve greater accuracy in converting and optimizing river flows for power generation. It is also designed to be adaptable, allowing for adjustments to account for equipment outages and to simulate the impacts of climate change on hydropower generation.

[1] Sevens, A. and Lamie, C., eds. (2024). New York State Climate Impacts Assessment: Understanding and preparing for our changing climate—Chapter 2.

Hydropower as an Engine of Economic Growth

NYPA drives economic growth in New York State by administering economic development programs that provide low-cost hydropower to businesses and not-for-profit organizations. Eligible organizations must maintain or expand existing operations or locate new operations in New York State and must commit to retaining and/or creating jobs and investing capital in their facilities.

Our Western New York Hydropower program, also known as the Expansion Power and Replacement Power program, offers 695 MW of hydropower to for-profit businesses within a 30-mile radius of the Niagara Power Project. Our Preservation Power program offers 490 MW of hydropower to eligible for-profit businesses in Franklin, Jefferson and St. Lawrence counties. Through ReCharge NY, we work closely with state government to provide 910 MW of power (455 MW of hydropower and 455 MW of market power) to other businesses and nonprofit organizations at affordable rates that potentially lower their energy costs.

2024 Power Allocation Highlights

In 2024, we awarded new allocations of more than 80 MW of low-cost power to 46 customers through our economic development power programs. More than 39% of our low-cost power allocations went to businesses and nonprofits in disadvantaged communities.

We allocated nearly 43 MW of low-cost power through the ReCharge NY program to 41 companies in the Capital District, Central New York, Finger Lakes, Long Island, Mid-Hudson, Mohawk Valley, New York City, North Country, Southern Tier and Western New York regions. This initiative enhances sustainability by delivering low-cost, clean energy to businesses, which leads to job creation and economic development, thereby enhancing community vitality.

FeedMore WNY

FeedMore WNY is a not-for-profit food bank, meals on wheels and workforce development program that serves Erie, Niagara, Cattaraugus and Chautauqua counties and has been a customer of the ReCharge NY program since 2014. It has an allocation of 86 kW, which supports 223 full-time jobs and $825,000 in capital investment. In April 2024, NYPA's Board of Trustees awarded FeedMore WNY $5 million through the Western New York Power Proceeds Allocation Board. The award will help relocate two sites in poor condition to a new comprehensive facility, which will improve food production and meal services for people most in need and create 25 new jobs over seven years.

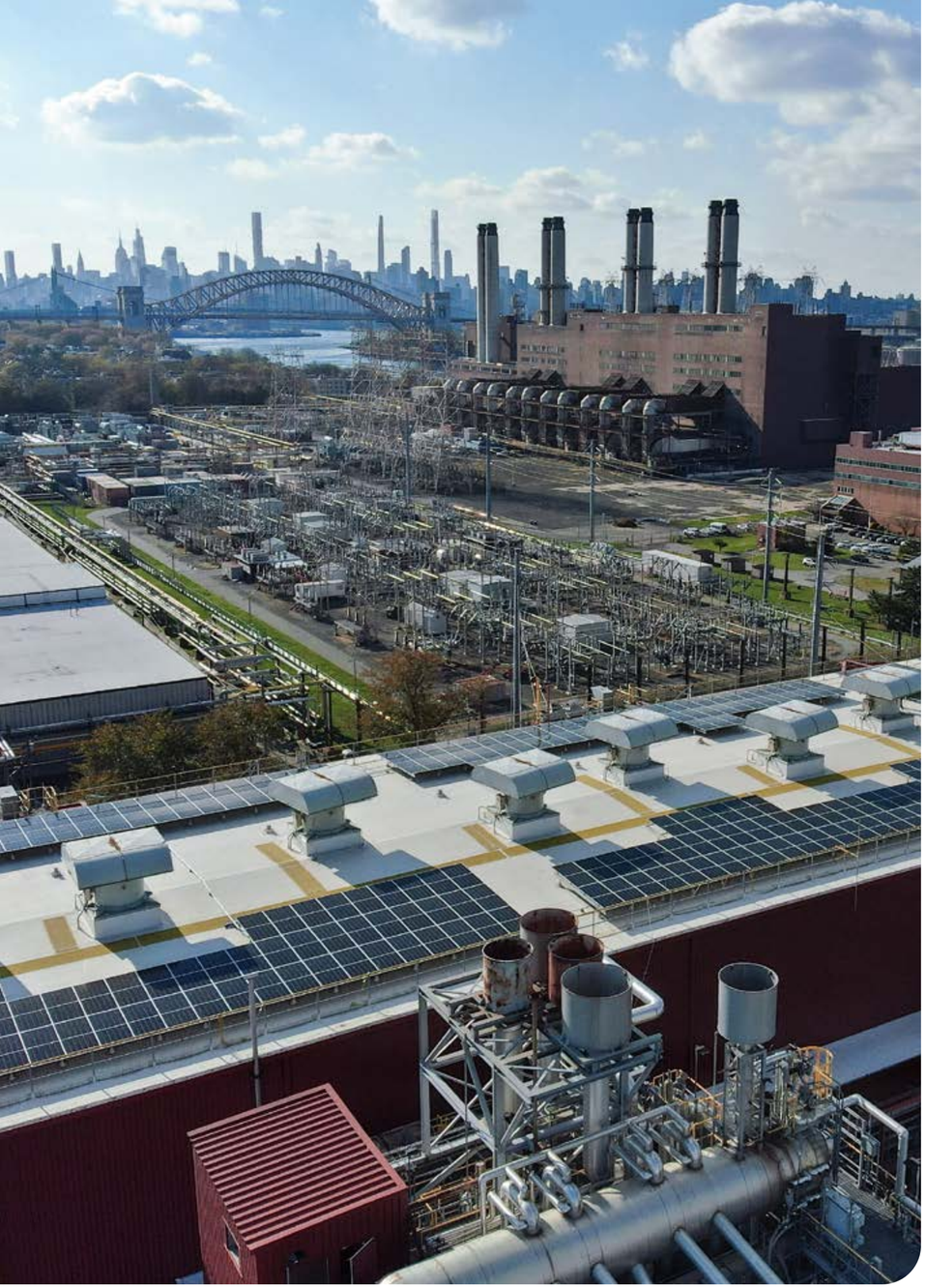
Tempco Glass Fabrication

In 2024, NYPA continued its support of Tempco through its ReCharge NY program. Tempco is a Flushing-based glass processing company that recently underwent a $1.4 million expansion that significantly increased its warehouse size and capabilities and added 15 jobs. NYPA's original allocation of 286 kW of ReCharge NY power helped Tempco allocate $1.1 million in private capital and investments and retain 55 jobs. Our most recent allocation of 340 kW helped Tempco purchase cutting-edge glass processing equipment. Tempco is also planning to add additional truck routes to reach more customers and improve operations.

Economic Development—Cumulative Commitments for Jobs and Capital From Our Customers

450,000+
created jobs

$55.5B
in capital investments



2

STRATEGIC PRIORITY

Pioneer the path to decarbonization

Decarbonize **Electricity Generation**

NYPA is leading the state's decarbonization efforts while continuing to provide affordable, safe, reliable, clean energy to our customers.

Our VISION2030 strategy aligns with the state's goals to reduce New York's reliance on fossil fuel generation and promote a just transition while maintaining grid reliability.

In line with NYPA's expanded authority enacted in 2023, the Authority published its Small Natural Gas Power Plant Transition Plan in May 2025. NYPA will plan to deactivate its 11 gas turbines if emissions from replacement resources will not cause more than a minimal increase in air pollution in disadvantaged communities and if they are not needed for emergency power or to meet a reliability identified by the NYISO.

NYPA is closely examining the potential impacts on disadvantaged communities of air emissions from other older, less efficient and higher emitting power plants if all or some of its small natural gas power plants are deactivated. Closure determinations will be made on a plant-by-plant basis after consultation with stakeholders, opportunity for public comment and a public hearing in the affected community. The Authority is also considering proposed strategies to replace gas turbines with renewable energy systems, including energy storage facilities.[1]

The NYISO oversees the dispatch of energy-generating assets in New York State in a manner largely dependent on reliability needs and identifying the lowest cost resources to meet those needs in a competitive market. The NYISO may dispatch NYPA's assets when additional power is needed to meet customer demand and stabilize the grid. In 2024, the NYISO's dispatch of our assets was affected by a variety of factors, including changes in the availability of generation resources (e.g., retirement of other generating assets in the region, including the Indian Point Energy Center), the availability and pricing of fossil-based fuels, and weather patterns. As a result of these and other factors, the NYISO's dispatch of our assets increased, and our Scope 1 emissions rose accordingly. While we are advancing renewable energy generation projects, our fossil fuel generation assets serve regions that are not sufficiently connected to renewable power sources. However, as clean energy generation continues to expand in New York State, we expect our Scope 1 emissions to decrease.[2]

NYPA makes intentional use of technology and good maintenance practices to ensure our fossil generating facilities are among the most efficient, lowest emission, non-renewable units in the New York City metropolitan area. We also explore other ways to decarbonize our fossil fuel-powered generating facilities and operations through research and development as well as through programs that provide building and vehicle fleet energy efficiency and electrification.

As NYPA and other organizations develop and integrate more renewable energy sources into the grid, we remain mindful of the importance of an equitable energy transition. We are committed to expanding renewable generation while ensuring that energy remains affordable and reliable. Programs like Renewable Energy Access and Community Help (REACH)[3] seek to mitigate the impacts of these changes on low-income residents of disadvantaged communities.

[1] See details about proposed strategies in NYPA's Expanded Authority and Related Directives section.
[2] NYPA's indirect Scope 2 emissions also went up in 2024. An increase in wheeled power exports to Canada due to Quebec forest fires and a rise in transmission line losses from fire smoke impacts were the primary causes of the increased emissions.
[3] See details about the REACH program in NYPA's Expanded Authority and Related Directives section.

NYPA's 2024 Greenhouse Gas Emissions

Our emission calculations[1] have been prepared in accordance with the World Resources Institute and World Business Council for Sustainable Development's Greenhouse Gas Protocol, utilize U.S. Environmental Protection Agency emissions factors and align with CLCPA-compliant emissions approaches. Read more about our emissions calculation methodology in Basis of Preparation and full Statement of GHG Emissions.

[1]The CLCPA directs state entities to use 20-year Global Warming Potential values from the Intergovernmental Panel on Climate Change Fifth Assessment Report (AR5; see page 5 in the New York State Department of Environmental Conservation [NYS DEC] 2024 Statewide GHG Emissions Report). Read the full Statement of Greenhouse Gas Emissions with Independent Accountants' Review Report (limited assurance, Scopes 1, 2, certain Scope 3 emissions and GHG intensities, 2024) thereon.

[2]Metric tons carbon dioxide equivalent

Sustainability Spotlight: **Certified Gas Initiative**

In 2024, NYPA purchased 1.3 million MMBtu of certified natural gas. Certified gas is verified by a third party to be produced in a way that minimizes release of methane, a potent greenhouse gas. The gas purchased by NYPA was certified in conformance with MiQ and Equitable Origin ESG standards and contributed to a reduction of more than 35,000 MT CO_2e in Scope 3 upstream greenhouse gas emissions.

NYPA's 2024 Greenhouse Gas Emissions Breakdown (MT CO_2e)[2]

SCOPE 1: DIRECT

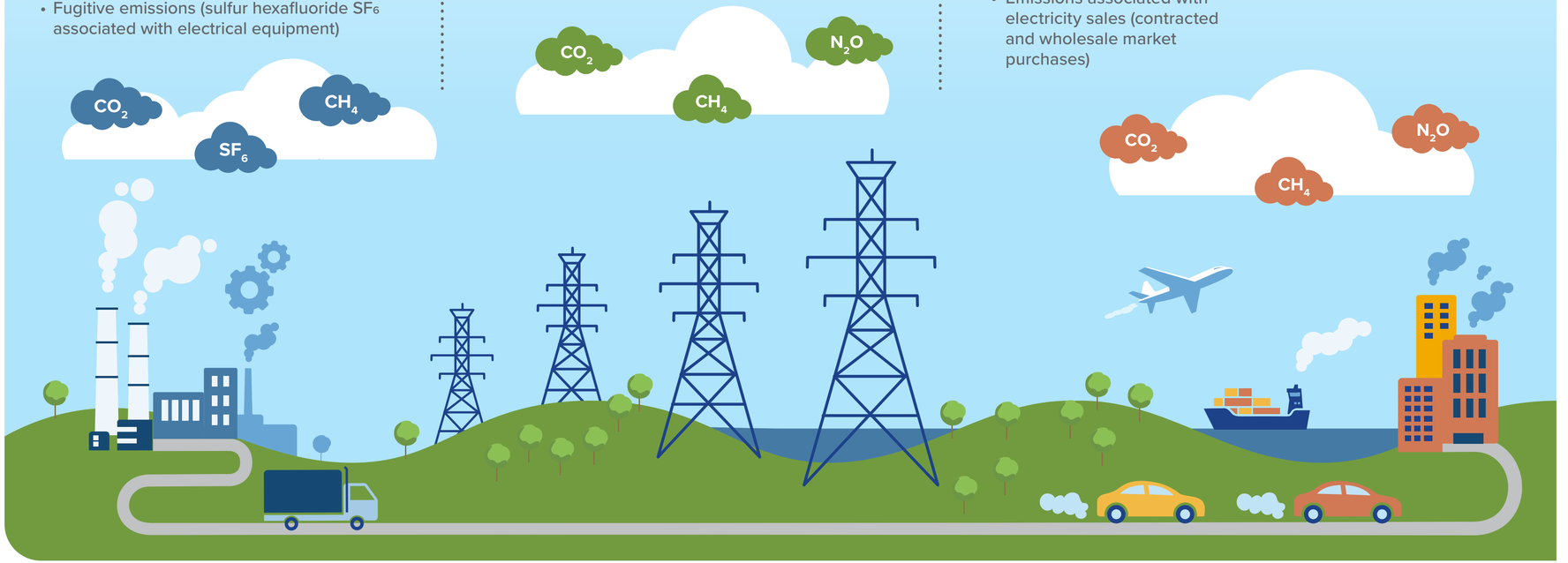
- Stationary combustion of fuels (power plants, facilities)
- Mobile combustion (fleet vehicles, corporate airplane)
- Fugitive emissions (sulfur hexafluoride SF_6 associated with electrical equipment)

SCOPE 2: ENERGY INDIRECT

- Consumption of purchased electricity, heat or steam
- Transmission line losses

SCOPE 3: OTHER INDIRECT

- Emissions associated with purchased goods and services
- Emissions associated with purchased capital goods
- Emissions associated with electricity sales (contracted and wholesale market purchases)
- Upstream emissions from purchased fuels
- Employee business travel
- Employee commuting



SCOPE 1

1.97 M MT

Stationary combustion, mobile combustion and fugitive emissions

SCOPE 2

90,871 MT

Location-based

90,736 MT

Market-based

SCOPE 3

7.48 M MT

Reported Scope 3 total

1	35,426 MT	Purchased Goods and Services
2	132,199 MT	Capital Goods
3	7.30 M MT	Upstream Fuel- and Energy-Related Activities
6	871 MT	Employee Business Travel
7	5,960 MT	Employee Commuting

Research & Development

NYPA acts as a testbed for new and innovative technologies that support our strategic priorities. This includes technologies that increase energy storage capacity, reduce risk from operating energy storage and reduce operational emissions. We are also working on initiatives related to first-of-its-kind transmission and hydropower projects that are recognized industry-wide.

Notable R&D Energy Storage Projects

In 2024, NYPA successfully implemented a new power-boosting and management product developed in collaboration with ZOOZ Power that integrates energy storage and management technology and allows for ultra-fast electric vehicle charging in grid-constrained areas. The new system was installed at a NYPA fleet charging station in Marcy (Oneida County) and serves as a demonstration site to inform potential future expansions of the technology. This project supports NYPA's efforts to accelerate transportation electrification across the state by addressing grid limitation challenges.

NYPA is also collaborating with Rockland County-based Urban Electric Power and the Electric Power Research Institute to develop long-duration energy storage demonstration projects at Westchester County's Grasslands Reservation and SUNY Oneonta. Supported by the U.S. Department of Energy and part of New York's initiative to promote renewable energy use on the electric grid, this technology provides a stable energy supply during high demand and extreme weather conditions. Construction is set for 2027, with operation by 2028.

Decarbonizing NYPA's Buildings and Vehicle Fleet

The BuildSmart 2025 program[1] sets an energy reduction target for NYPA of 0.12 Tbtu. This represents a 35% reduction from our 2015 energy use baseline. NYPA has developed a Clean Energy Master Plan for Buildings that identifies and prioritizes projects across the building portfolio to achieve this goal. In 2024, we continued to implement recommendations from the plan, such as HVAC and lighting projects, and we have accounted for energy reductions close to 91% of the target since 2015.

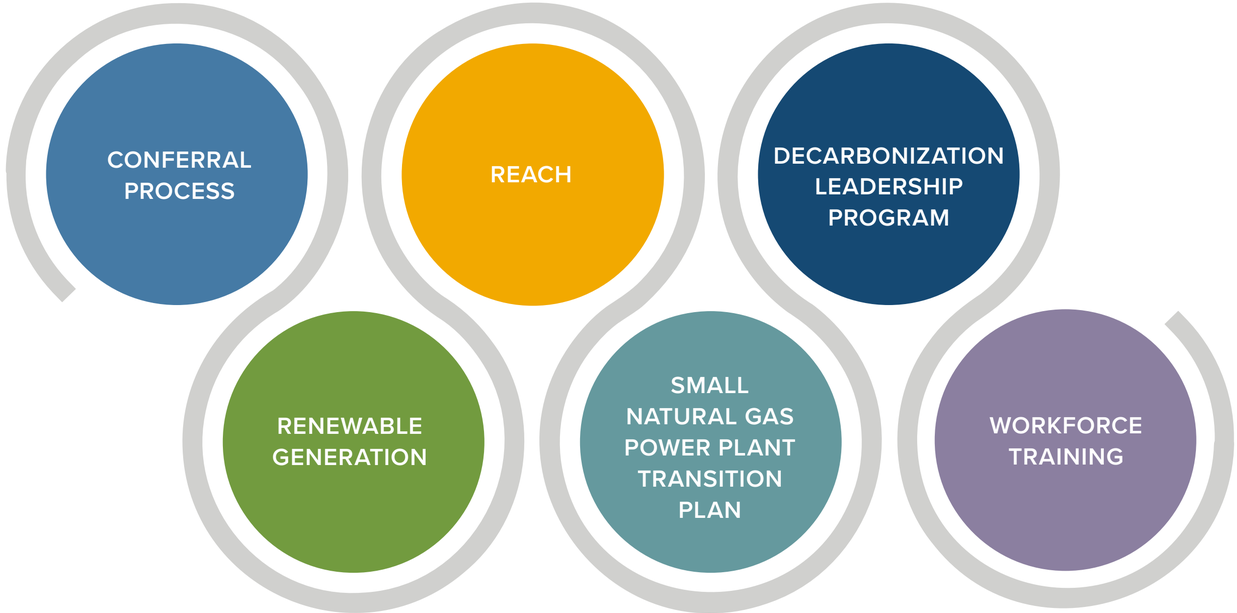
NYPA has set a goal to electrify 100% of our light-duty fleet by 2030, five years ahead of the state target. By the end of 2024, we had reached approximately 41% electrification of NYPA's light-duty fleet and 10% electrification of Canals' light duty fleet. Engineering designs are in development for EV infrastructure projects at several NYPA operating sites, which will increase electrical capacity and create dedicated service feeds to support additional charging stations and electric vehicles.

[1] See details about state-wide BuildSmart 2025 in the Partner With Customers and the State section of this report.

Sustainability Spotlight:
NYPA's First All-Electric Bucket Truck

NYPA placed our first all-electric bucket truck into service in 2024. The $528,000 truck, stationed at the Niagara Switchyard, requires about 45 minutes to an hour and a half to fully charge using a fast charger and can cover 100 to 125 miles, sufficient for a typical eight-hour workday. We acquired our second all-electric bucket truck at the end of the year.

NYPA's **Expanded Authority and Related Directives**



In 2023, the Public Authorities Law was amended to expand NYPA's authority to advance renewable energy and support other state priorities. This expanded authority will help NYPA accelerate the development of renewable energy, support workforce training for jobs in the renewable energy sector and implement the REACH program to provide bill credits to low-income rate payers in disadvantaged communities served by New York's investor-owned utilities.

Conferral Process

In our second comprehensive conferral process, we conducted formal stakeholder engagement with 33 stakeholder groups, including state agencies, regulatory entities, climate and resilience experts, labor organizations, and environmental justice and community organizations. Topics covered included progress on the CLCPA's renewable energy goals, the NYISO's generator interconnection process and state priorities. NYPA also sought stakeholder input on ideas for training and retraining of the state's workforce to support the state's shift to a clean energy economy.

The feedback we gathered in 2023 and 2024 helped shape our biennial NYPA Renewables Strategic Plan, which was finalized in January 2025. It has also deepened our understanding of NYPA's market context; while collecting this feedback, we noticed that stakeholders' perceptions of the value we contribute to this market broadly match our understanding of NYPA's market contributions.

We published a summary of our findings in October 2024. Visit the Conferral Process page on our website to learn more about this initiative and its outcomes.

Renewable Generation

New York State's 2023–24 Enacted State Budget amended the Power Authority Act to enable NYPA to plan, design, finance and operate renewable energy generating projects, which can include solar, wind and battery energy storage.

Under our expanded authority, we can pursue renewable generation projects independently and with other entities. During 2024, we pre-qualified 89 renewable energy companies and investors to partner with us on this journey.

In October 2024, NYPA issued its first strategic plan for renewables deployment in draft form for public comment along with the 2024 Conferral Report. NYPA held 12 hearings across the state and received more than 5,000 comments on the draft plan. After incorporating these public comments, and the feedback we received from stakeholders in the 2023 and 2024 Conferral Reports, the Authority finalized its first NYPA Renewables Strategic Plan in January 2025. The plan includes 37 projects with a total capacity of more than 3 gigawatts (GW). We intend to update this plan in 2025 to add more renewable energy generation projects.

We also incorporated a subsidiary, NYRED, in November 2024, to allow us to responsibly develop new renewable generation while isolating us from certain liabilities that could be associated with renewable resource development.

REACH

In January 2024, we petitioned the Public Service Commission (PSC) to establish the REACH program, which will provide electricity bill credits to low-income New Yorkers in disadvantaged communities, months ahead of the statutory deadline. After submitting the REACH Petition, the Authority worked closely with stakeholders, including the New York State Energy Research and Development Authority, the Department of Public Service and New York's six major investor-owned utilities, to align REACH with existing low-income bill credit programs, such as the Energy Assistance Program and the Statewide Solar for All Program.

In October 2024, the PSC granted NYPA's petition, establishing the REACH Program. In response to the requirements of the Order, the utilities filed tariff modifications and program implementation plans. In addition, we signed agreements with each utility to transfer funds to implement REACH as revenues become available from new renewable generation resources and other sources. NYPA expects REACH bill credits to become available starting in 2027. The bill credits will be funded by a portion of revenues from renewable energy generation projects developed by or for NYPA, as well as from other available funding.

Small Natural Gas Power Plant Transition Plan

NYPA continues to work with community members and stakeholders on the future of fossil-based electricity generation at its 11 small natural gas power plants at seven locations in New York City and Long Island. In line with NYPA's expanded authority enacted in 2023, the Authority developed a comprehensive Transition Plan to deactivate its small natural gas power plants by 2030 if air quality and reliability conditions are met. The plan, published in May 2025, states that NYPA and its partners will conduct additional emissions and reliability studies, and NYPA will engage with stakeholders as part of the decision-making process related to individual plant closures. We are also considering options for other clean energy projects, including energy storage, at these sites.

During 2024, NYPA reached term-sheet agreements with energy storage developers for re-purposing the Harlem River, Hellgate, Pouch and Gowanus plants and is actively negotiating term sheets for repurposing the Brentwood plant. NYPA has also issued a Request for Information and received responses on development options for its Kent plant. These battery storage facilities are intended to provide safe, emissions-free power to help meet the future reliability needs of New York City's electric system.

Decarbonization Leadership Program

In addition to our expanded authority, NYPA is charged with administering the state's Decarbonization Leadership Program. Under this initiative, NYPA will create decarbonization action plans by January 2026 for 15 state facilities that are among the highest producers of greenhouse gas emissions. As an early example of our progress, in May 2024, NYPA and the Office of General Services released an Energy Master Plan focused on decarbonization of Empire State Plaza in Albany. The Energy Master Plan identified viable pathways, including fuel switching from natural gas to electricity for the cooling system, energy-efficiency gains in the buildings and beneficial electrification for heating (via ground source heat pumps, wastewater heat pumps and/or industrial heat recovery). A $100 million project to electrify the chiller systems in this complex will be in construction by late 2025, with completion expected by 2029.

Workforce Training

NYPA received authority to make available up to $25 million annually to train workers for employment in the renewable energy field. This initiative will be implemented through a collaborative process with the New York State Department of Labor (DOL). In March 2024, NYPA and DOL entered into a Cooperative Agreement for programs related to workforce training, retraining and apprenticeship opportunities in the renewable energy field. NYPA allocated more than $21 million for workforce training in 2024, with more to come in 2025.

Sustainability Spotlight: **Workforce Training**

Public Housing Community Fund

The Public Housing Community Fund (PHCF) is a public-private partnership that supports the New York City Housing Authority (NYCHA) and its residents. In 2024, NYPA provided PCHF more than $1 million to support classes, hands-on experience and a 3-month paid internship for 60 NYCHA residents in carpentry, electrical, plumbing, building operations and maintenance, energy efficiency, solar PV, HVAC and building decarbonization.

Soulful Synergy LLC

Soulful Synergy is a minority-owned workforce development agency dedicated to creating equitable and sustainable communities. It administers recruitment and training programs and upskill local workforces for clean energy and other high-demand jobs. In 2024, NYPA provided Soulful Synergy $857,000, which will help deliver specialized training on advanced building weatherization techniques and building and transportation electrification to 80 participants.

> **Soulful Synergy's partnership with NYPA is vital for advancing our workforce training in building weatherization and electrification. This collaboration will enable us to broaden our curriculum and train 80 individuals in crucial hands-on skills like air sealing, insulation, heat pump installation and EV charging equipment maintenance. We eagerly anticipate launching these programs in mid-2025, empowering graduates to find clean energy jobs and contribute to a more energy-efficient and sustainable New York.**
>
> *— Dwayne R. Norris, Soulful Synergy*

3

STRATEGIC PRIORITY

Be the leading transmission developer, owner and operator

Lead **Transmission Expansion**

One of NYPA's strategic priorities under VISION2030 is to be the leading developer, owner and operator of New York State's transmission assets. Through NYPA's efforts, New York is experiencing its biggest transmission modernization and expansion in decades. Our transmission work supports the integration of renewable energy sources, reduces congestion and improves grid resilience. It provides greater access to affordable, clean energy and creates thousands of clean energy and construction jobs.

Transmission projects include research, planning, design, permitting and construction. Delays in permitting, supply chain disruptions and talent shortages can extend the length of transmission development and construction projects and increase costs. NYPA mitigates the impact of permit and supply chain delays by assessing potential risks and evaluating alternative solutions. Rather than relying solely on manufacturing equipment shipped from overseas, NYPA researches available alternatives that can be sourced locally or domestically. When this solution is not available, we explore other options such as long-term contracts and alternate delivery approaches.

Expanding Transmission in New York State

Throughout 2024, we continued to advance transmission infrastructure modernization and expansion efforts. The following highlights some of our key initiatives.

Smart Path Connect

Smart Path Connect is a Priority Transmission Project that consists of approximately 110 linear miles of transmission line rebuild (upgrading from 230kV to 345kV), the construction of new substations, modifications to existing substations and the decommissioning of some substations. NYPA is building the project in collaboration with National Grid. Construction commenced in 2022. During 2024, we completed approximately 95 circuit miles of transmission lines, 600 foundations and 560 structures. We also made significant progress on the construction of three new substations and modification of seven existing substations. As of November 2024, more than half of Smart Path Connect's transmission lines were energized, stretching across 36 miles in the Mohawk River Valley and 38 miles in the North Country. The project is expected to be substantially completed in 2026 and will support the integration of more renewable energy sources upstate.

$2.49B

year-end net book value of transmission assets, including modernization and expansion

Uniondale Hub Substation Upgrade

The Uniondale Hub Substation Upgrade project will expand our existing 345kV substation in Uniondale into an adjacent 2.5-acre lot to support the interconnection of new transmission and facilitate the delivery of energy to address increasing demand. All major equipment has been ordered, the design is at 30% completion and the Article VII application was submitted to the Public Service Commission (PSC) in April 2025.

Clean Path Transmission Project

In 2024, New York State and developers mutually agreed to end contracts supporting development of Clean Path NY. NYPA filed a petition with the PSC asking for a Priority Transmission Project designation to advance the development and permitting of the project. The proposed project aims to reduce reliance on in-city fossil-fueled generating facilities, which would improve air quality and provide other public health benefits. We expect a decision on the petition later this year.

Propel NY

The 345kV Propel NY transmission line is a 90-mile project to be developed by NYPA in collaboration with New York Transco (NYT). This project aims to improve grid reliability and increase delivery of clean energy through system improvements across Long Island, New York City and Westchester County. This year, NYT, NYPA and the NYISO signed a Development Agreement to deliver the project consistent with the NYISO's Open Access Transmission Tariff. The agreement includes a required in-service date of May 2030.

Sustainability Spotlight: **Protecting Healthy Ecosystems**

NYPA and Canals own or maintain more than 100,000 acres of land and water in New York State. Our stewardship of this land and water is an essential part of our commitment to serve the public good.

Under our federal licensing agreements, NYPA has restored more than 1,950 acres of habitat across the state. These habitat improvement projects have preserved ecosystems of particular environmental, recreational, economic and cultural importance to local communities.

As an early adopter of integrated vegetation sustainable land management practices, NYPA maintains 15,000 acres of pollinator habitat along approximately 1,550 circuit-miles of transmission rights-of-way. Since 2013, the Right-of-Way Stewardship Council has recognized our stewardship and accredited NYPA as a Rights-of-Way Steward.

We are now extending our conservation efforts to our power-generation and canal landholdings and are creating pollinator meadows and gardens at our facilities. In 2024, we committed to enhancing habitat for Monarch butterflies by enrolling in a voluntary Candidate Conservation Agreement with Assurances with the U.S. Fish & Wildlife Service (USFWS). This agreement commits us to implementing land management practices that protect Monarch populations. Monarchs have seen significant declines in recent years, prompting the USFWS in 2020 to acknowledge the necessity for protective measures.

Working to Enhance the Safety, Security and Reliability of the Grid

NYPA continues to strengthen monitoring and efficient management of the transmission system through a range of initiatives, from the expansion of robotics capabilities for extensive grid inspections to collaborations that refine cutting-edge technologies for broader surveillance and maintenance.

Robotics Program

NYPA's Robotics Program deploys advanced robotic systems, including aerial (drones), ground, aquatic and climbers to monitor and inspect critical asset infrastructure safely and effectively.

In 2024, following a Federal Aviation Administration waiver allowing drones to fly beyond the visual line of sight, we were able to expand our drone capabilities and perform automated inspections and remote monitoring. NYPA aims to continue to deploy advanced technologies like drone-in-a-box, fixed-wing drone and advanced sensor payloads, which will facilitate more effective inspections of power transmission infrastructure across broader distances. We can now conduct post-weather damage assessments, provide real-time evidence for decision-making and significantly reduce inspection times—all of which are essential to delivering reliable, clean power throughout the state.

NYPA also partnered with Manifold Robotics in 2024 to launch a new initiative that aims to refine sensor technology for fixed-wing drones. This collaboration will facilitate more effective inspections of power transmission facilities across broader distances.

Advanced Grid Innovation Laboratory for Energy

Throughout 2024, NYPA relocated and expanded its Advanced Grid Innovation Laboratory for Energy (AGILe). The state-of-the-art facility, now located at NY CREATES' Albany NanoTech Complex, offers electric grid simulation to assess future scenarios and gauge the impact of new technologies and enhancements on electric system operations and reliability.

AGILe plays a crucial role in the testing, modeling and validation of electrification technologies, transmission-related products and services and innovative energy system solutions. A focus of work going forward will be to assess the integration of intermittent renewable resources into the state's power grid and the impacts of clean energy technologies such as battery storage systems and electric vehicles.

EPRI Initiative to Enhance Data Center Flexibility and Grid Reliability

NYPA is one of the founding members of DCFlex, an Electric Power Research Institute initiative to explore data center and power supplier strategies for optimal grid integration. Electricity demand is on the rise, with data center electricity usage expected to consume 5% to 9% of U.S. electricity generation annually by 2030. DCFlex will demonstrate flexible strategies in diverse data centers and electricity markets, aiming to streamline grid integration and increase adoption of operations that benefit electricity consumers.

APPA Awards

NYPA was recognized with an Energy Innovator Award from the American Public Power Association in 2024 for introducing a real-time transmission line issue detection system to enhance grid safety, security and reliability. The Energy Innovator Award celebrates utilities for their innovative approaches to providing improved service to their electric customers or for projects that boost utility operations or resource efficiency.

NYPA held the Diamond level RP3 (Reliable Public Power Provider) award in 2024, reaffirming our status as a dependable public power provider. The RP3 Program serves as a thorough operational checkup that assesses public utilities across four critical areas: reliability, safety, workforce development and system improvement. The Diamond is the highest RP3 award.

4

STRATEGIC PRIORITY

Partner with our customers and the state to meet their energy goals

Partner With **Customers and the State**

NYPA works closely with our customers, policymakers and regulators to drive the energy transition. Our work ranges from strengthening public energy infrastructure and increasing access to clean power to engaging in regulatory proceedings and assisting with customer project implementation.

As a trusted energy advisor, NYPA is uniquely positioned to help our customers meet their sustainability goals. Our energy service programs focus on three key areas: (1) building efficiency and electrification; (2) distributed energy resource projects such as on-site solar and energy storage; and (3) electric vehicle (EV) charging infrastructure to support EV adoption and fleet electrification.

NYPA completed 77 energy conservation and efficiency projects in 2024

42,906 MWh

customers' estimated electricity savings from conservation and efficiency initiatives

26,296 MT

estimated GHG emissions avoided

Supporting Customer Decarbonization and Electrification Goals

NYPA implements a variety of projects to help our customers and the state decarbonize sustainably. 2024 highlights include enhancing energy efficiency in buildings across New York State, expansion of statewide EV charging and LED street lighting systems, and solar installations. We also continued to work with state facilities in New York to support BuildSmart 2025's energy-saving goals.

Increasing Building Efficiency and Electrification

BuildSmart 2025

BuildSmart 2025 is a collective energy-saving effort for state facilities in New York. Executive Order (E.O.) #22 sets an energy reduction target of 11 trillion British Thermal Units across state facilities by Dec. 31, 2025 from a 2015 baseline. This is an approximately 34% reduction in energy use. The cumulative energy savings accomplished through BuildSmart 2025 meaningfully contribute to New York State's energy and emissions reduction targets. NYPA both administers this program and participates in it.

NYPA supports state agencies and authorities by establishing attainable reduction targets based on energy use baselines and benchmarks, providing guidance and resources, and tracking progress through our New York Energy Manager platform. NYPA also helps state agencies and authorities implement energy-saving projects in support of their BuildSmart 2025 efforts.

Partnering with DCAS Energy Management

NYPA supports the New York City Department of Citywide Administrative Services (DCAS) Division of Energy Management (DEM) by advancing mutual objectives for reducing New York City's carbon footprint through practical, cost-effective and energy-efficient solutions. DEM serves as the hub for energy management in New York City buildings, playing a critical role in supporting agency partners. Through DEM, facilities are provided with LED lighting and controls that meet the latest NYC Energy Conservation Code.

In 2024, we partnered with DCAS to complete installations of LED lights across 67 New York City Police Department facilities. The nearly $17 million lighting upgrade, involving the installation of over 37,000 LEDs, is expected to save the city around $750,000 annually in energy and maintenance costs while reducing carbon emissions by more than 1,800 metric tons—equivalent to 400 fewer cars on the road.

Approximately 750 facilities will be upgraded through the program, including schools, homeless shelters, recreation centers, court houses, sanitation garages, Department of Transportation garages and police precincts.

BuildSmart 2025 Progress

$9.55 trillion Btu conserved

Sustainability Spotlight: **Tree Power Program**

NYPA's Tree Power Program promotes the planting of native trees by providing a match for every tree purchased by customers. Since 2016, Tree Power has contributed to the removal of an estimated 448 metric tons of carbon dioxide from the atmosphere, significantly aiding in climate change mitigation efforts. In addition to climate mitigation benefits, tree planting is an effective way to improve building energy efficiency, reduce stormwater flooding and improve air quality. For NYPA and New York State, the benefits to biodiversity are also critical. Since 2021, Tree Power has exclusively distributed trees native to New York, providing habitat and shelter for a variety of wildlife including birds, beneficial insects, butterflies and moths. More than 1,400 trees were distributed to 50 communities in 2024, with nearly half planted in disadvantaged communities.

NYCHA Partnership

Throughout 2024, NYPA completed the installation of energy-efficient heating upgrades at the New York City Housing Authority's Berry Houses on Staten Island for more than 875 residents in nearly 500 public housing apartments.

The initiative replaces the development's original, outdated low-pressure steam boiler plant with a modern, energy-efficient system and decouples the hot water system from the central boiler, employing high-efficiency gas-fired hot water heaters to boost reliability and lower overall energy usage.

This more than $31 million project is expected to decrease annual carbon emissions by over 800 metric tons, equivalent to removing nearly 180 cars from the road. The renovations at Berry Houses are part of a broader effort to leverage design-build strategies that streamline delivery and maximize cost efficiencies.

MEUA Independent Energy Efficiency Program

Through programs like the Municipal Electric Utilities Association of New York's Independent Energy Efficiency Program (IEEP), NYPA provides financial and technical assistance to enhance the capabilities of municipal electric utilities and rural electric cooperatives.

The IEEP leverages small customer contributions to fund significant energy conservation projects. These projects range from residential insulation upgrades to the adoption of ground source heat pumps and LED lighting for local businesses.

By pooling resources through IEEP, NYPA enables collective action that results in substantial benefits for New York's diverse municipalities, enhancing overall quality of life and sustainability.

New York State Decarbonization Leadership Program

NYPA is charged with leading the state's Decarbonization Leadership Program (DL15) and is developing decarbonization action plans for 15 of the highest emitting New York State agency facilities. The plans will expand on existing efforts and identify facility improvements to further reduce carbon emissions. NYPA has started work at every facility and is finalizing efforts to onboard contractors and chart the path forward. If implemented, these decarbonization plans have the collective potential to reduce greenhouse gas emissions from state facilities by up to 30%. Implementation of the DL15 will serve as the playbook for decarbonization planning for all customers going forward.

9/11 Museum

We successfully completed the installation of LED lighting at the National September 11 Memorial & Museum during 2024, replacing nearly 1,700 outdated fluorescent fixtures with LED fixtures throughout the museum's hallways, corridors and maintenance rooms. These upgrades will result in substantial reductions in annual electricity and maintenance costs and decrease the building's carbon emissions by nearly 65 metric tons annually, equivalent to the emissions from burning over 7,300 gallons of gasoline.

Tuscarora Nation School Energy-Efficiency Upgrades

As part of our commitment to sustainability and to supporting local communities, NYPA successfully completed installation of a new water filtration system and heating units at the Tuscarora Nation School in Lewiston. This initiative was realized in collaboration with the Tuscarora Nation, the Niagara Wheatfield Central School District and NYPA. The $940,000 project, funded by NYPA, significantly increased efficiency and reliability of the building systems for the school's 500 students.

Niagara Falls State Park Energy-Efficiency Plan

Niagara Falls State Park is an iconic destination, attracting visitors from all over the world. NYPA collaborated with Niagara Falls Parks and Wendel Companies to develop a comprehensive strategy to decarbonize the park's energy system. Key elements include enhancing energy efficiency by measuring and reducing energy usage, transitioning fleet vehicles to alternative fuels, replacing legacy equipment with thermal energy systems and producing renewable energy onsite.

Partnering With the State to Protect Our Water and Wastewater Systems From Cyber Incidents

The Water and Wastewater Systems sector in New York State is made up of approximately 9,000 public and private water systems operated by a variety of independent entities, including dedicated authorities, municipalities, homeowner associations, private companies and educational institutions. At the end of the water use cycle, wastewater systems work together to safely discharge or reuse water. The resilience and reliability of these systems against failure—whether due to aging systems or cyberattacks—is critical to protecting the health and safety of communities and the environment.

The state recognizes the need for a whole-of-government, one-water approach to evaluate the current state of this drinking and wastewater infrastructure. In June 2024, NYPA participated in a working group convened by New York State's chief cyber officer to enhance the sector's cyber security resilience and reliability. Experts from nine state agencies, including NYPA, collaborated on recommendations for mitigating cyber security and operational technology risks. As a result of this collaboration, the group was able to respond swiftly to recent cyber security incidents at water treatment facilities in other states.

Distributed Solar

NYPA further supports customer decarbonization efforts through distributed energy resources deployed in notable 2024 projects, such as a rooftop solar system at Red Hook Central School District and an ongoing project at John F. Kennedy International Airport (JFK).

Breaking Ground on JFK Solar

NYPA is helping advance the state's renewable energy infrastructure with the construction of the state's largest on-site solar plus storage project at JFK.

Developed in collaboration with the Port Authority, JFK Solar will include installation of a solar carport canopy across a long-term parking lot to provide electricity for the airport's AirTrain. It will also help reduce energy costs for residents in low-income areas of Queens. Featuring enough solar panels to cover an area equivalent to 11 football fields, this 12 MW solar initiative, coupled with a 6 MW community solar generation facility and 7.5 MW of battery storage, will reduce the airport's energy usage during peak periods.

Upon completion, the JFK Solar carport is poised to reduce greenhouse gas emissions by more than 6,000 tons annually, aligning with the Port Authority's objective to achieve net-zero greenhouse gas emissions by 2050.

Red Hook Central School District Solar System

NYPA partnered with the Red Hook Central School District on a groundbreaking initiative to install 1,200 solar panels across three school buildings. This project, the first NYPA-supported solar venture in Dutchess County, now powers 30% of the district's energy needs and is expected to reduce greenhouse gas emissions by 80 metric tons annually. Enabled by a $1.7 million investment and an additional $40,000 completion grant from NYPA, the solar arrays will save the district an estimated $1.175 million over 25 years.

Metrics

1.97 MW of NYPA-enabled distributed solar

714 MT CO_2e avoided from NYPA enabled solar projects

Expanding Electric Vehicle Infrastructure

Another NYPA focus area is enabling the transition to electric transportation by expanding electric vehicle charging infrastructure for our customers and the public. In 2024, we continued to work with the Metropolitan Transit Authority (MTA), Niagara Frontier Transportation Authority (NFTA), Ulster County Area Transit and Broome County Transit to electrify their bus fleets. In parallel, our EVolve NY program expanded the statewide network of public DC fast chargers, ensuring reliable fast-charge access that can enable EV adoption anywhere in the state.

MTA and NFTA Bus Fleet Electrification

NYPA is helping the MTA and NFTA decarbonize their fleets by installing rapid charging stations at their bus depots. We are also engaged in similar work with other transit agencies in the state. These public transit electrification projects help improve air quality in local and underserved communities and serve as a model for other metropolitan bus fleet operators.

The MTA aims to transform 100% of its 5,700 New York City buses at 28 bus depots to a zero-emission fleet by 2040. We are working with the MTA on a three-phase project. In the first phase, we installed 65 overhead electric bus chargers at three depots in Queens, Staten Island and Brooklyn and replaced one on-street charging system at the Williamsburg Bridge Plaza. Phases two and three include installing charging infrastructure for an additional 470 electric buses at eight bus depots in Manhattan, the Bronx, Brooklyn and Queens.

The NFTA's goal is to decarbonize its fleet of 310 buses by 2040. The NFTA is also pursuing an interim goal of 25% fleet electrification by 2028. In 2024, the state's largest electrified bus depot became operational in Buffalo, with NYPA overseeing the design and installation of new high-tech overhead pantograph charging systems and a new sub-station that will allow for full fleet electrification. We are also working with the NFTA to finalize electrification at the Cold Spring garage, which supports neighborhoods surrounding the NFTA service area.

Fleet Chargers at JFK International Airport

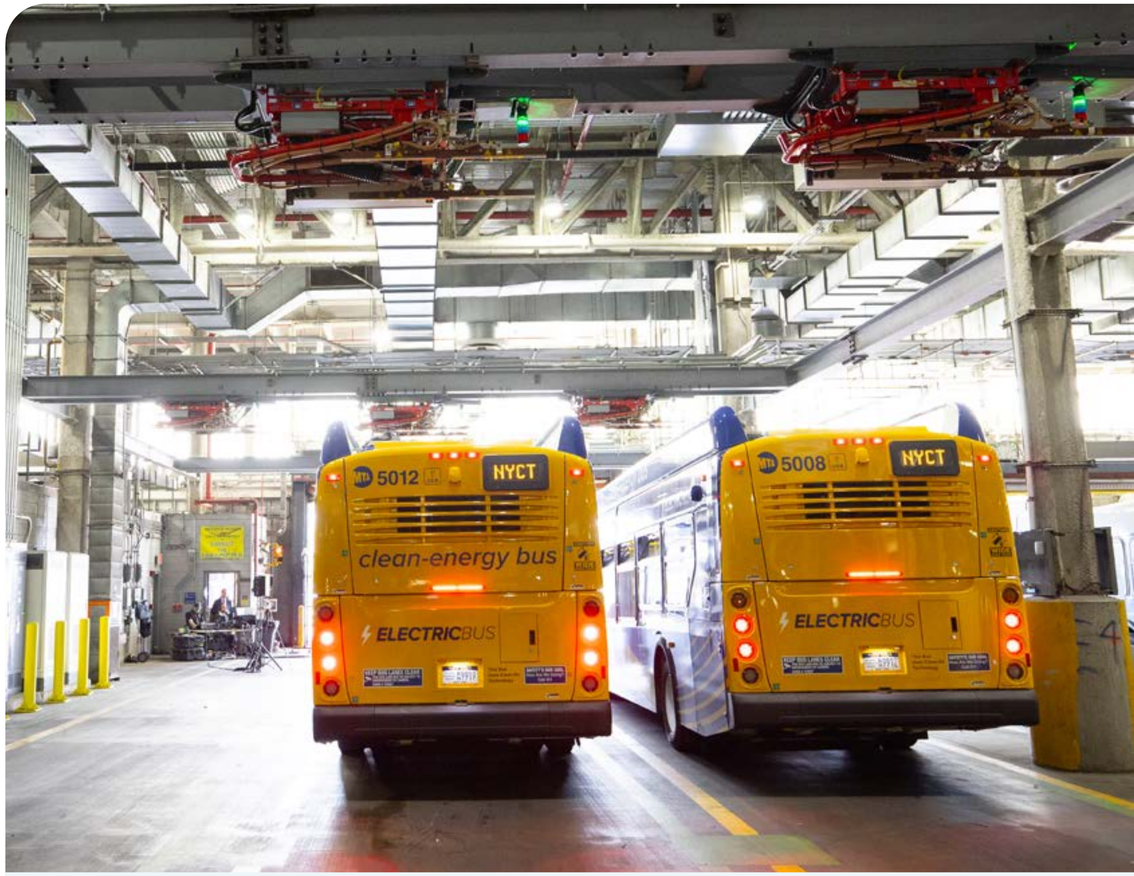
NYPA partnered with the Port Authority of New York and New Jersey (Port Authority) and the New York State Department of Environmental Conservation to install eight dual-port charging stations at JFK International Airport. These chargers are capable of simultaneously powering up to 16 Delta Air Lines' electric ground support vehicles. Combined with the 84 charging ports installed in 2021, this expansion could potentially prevent the consumption of 32,000 gallons of diesel, reducing greenhouse gas emissions by over 320 metric tons. This project marks a significant step towards the Port Authority's goal of achieving net-zero emissions by 2050.

EVolve NY

The goal of our EVolve NY program is to accelerate EV adoption by establishing a public charging network in the state. NYPA is one of the first organizations to build high-speed charging stations at accessible public locations, such as major interstate highway corridors, municipal parking lots and gas stations. Our chargers provide efficient and affordable options for EV owners and are the only available fast-charging options in many rural parts of the state.

NYPA's goal is to install up to 400 EVolve NY high-power chargers capable of charging in as little as 20 minutes. By the end of 2024, contracts had been executed for 294 chargers and 212 were in operation at 52 sites. The charging stations are being installed at roughly 50-mile intervals, with safe and easy highway exit access. Each station has food, restrooms and shelter within walking distance.

By agreement with New York State Department of Transportation, NYPA plans to use approximately $20 million in National Electric Vehicle Infrastructure funds from the Federal Highway Administration to install EVolve NY charging stations in more than 20 locations around the state. We expect most of these sites to open in 2025.



Overhead Pantograph Charging Systems Award

NYPA won the 2024 *Fortnightly* William Hammer Top Innovator in Electrification award for its innovative Overhead Pantograph Charging Systems. These systems are specifically designed for crowded bus depots and are being installed for New York City and upstate transit bus fleets.

5

STRATEGIC PRIORITY
Revitalize the New York State Canal System

Revitalize **the Canal System**

As we commemorate the bicentennial of the Erie Canal in 2025, we cast our sights on the third century of its operations. Our strategic priority is to preserve and revitalize the Canal System as a historic landmark, key recreational asset and driver of economic development. We are working with communities, organizations and local businesses along the Canal System to provide support, funding and environmental expertise to attract New Yorkers and people from all over the world to its waterways and adjoining trails.

In 2024, our work included efforts to increase the safety of our waterways and dams, protect natural ecosystems in and around the canals, strengthen recreational infrastructure, promote economic development in surrounding communities and increase accessibility.

The Canal System includes 524 miles of navigable waterways in Upstate New York, including 57 locks, 16 lift bridges and other structures that range from 100 to 200 years old. It also includes 150 miles of trailway owned and maintained by Canals, which is part of the more than 424-mile Erie and Champlain Canalway Trails and the larger New York Empire State Trail, the nation's largest recreational trail system.

Most of the Canal System's physical assets require maintenance and restoration to keep the waterways safe, reliable and accessible. Since Canals became a subsidiary of NYPA in 2017, NYPA has prioritized Dam Safety and Asset Management programs. We conduct more than 800 structural inspections each year and have assessed most of the Canal System's civil structures. The data gathered in our inspection program allows us to create a pipeline of shovel-ready projects and strengthens our ability to pursue additional resources, such as grants, that will support our revitalization efforts.

Our multidisciplinary Canals External Funding Working Group pursues state, federal and non-profit funding opportunities to increase the resources available for revitalizing the Canal System. Our Canals Divestment Working Group identifies assets that are no longer essential to achieving our strategic priorities or the operation of canal waterways. The group coordinates with state agencies and other stakeholders to explore potential opportunities to transition ownership of these non-essential assets to external organizations.

Enhancing Our Critical Assets for Safer Operations

In 2024, priority investments included critical infrastructure repairs. Effective maintenance practices and infrastructure improvements extend the life of our critical assets and ensure canal operators, users and adjacent communities can continue to safely enjoy the benefits of our Canal System for centuries to come.

Canals Dam Safety Program

Sustainable use of the Canal System's waterways by tourists, businesses, residents and other groups depends in part on the integrity of its dams. Canals owns more intermediate- and high-hazard dams than any other New York State entity.[1] Our portfolio also includes more than 1,000 water-impounding structures such as spillways, dive culverts, gates and embankments. Canals holds public safety as its highest priority and makes diligent effort to understand the conditions of these structures and the potential risks they pose so we can protect the public and preserve the integrity and serviceability of the infrastructure. This work is essential to our goal to enhance the resiliency and sustainability of the Canal System for long-term use.

We also advanced our dam safety work by continuing breach consequence modeling, updating emergency action plans and conducting public safety risk assessments at 125 Canals dam locations. Seven virtual outreach meetings were conducted for our 340 unique Emergency Action Plan holders and comprehensive inspections were completed for 243 Canals assets, including 120 dam structures and 123 embankments. Piezometer data loggers were strategically deployed to enhance monitoring. We completed detailed risk studies and potential failure mode assessments at 20 dam sites with joint participation from NYPA and Canals cross-functional teams. We also coordinated and tracked dam safety and Emergency Action Plan awareness training for Canals, reaching a 98% completion rate in 2024.

Comprehensive Asset Optimization for the Canals

The Canals Infrastructure Plan is a strategic framework that prioritizes and plans improvements across asset classes in alignment with the Authority's long-term asset investment strategy. Key programs include the Earthen Embankment Integrity Program, which enhances embankments by addressing slope stability, erosion protection and vegetation management, and the Canal Culvert Rehabilitation Program, which focuses on systematically rehabilitating more than 175 culverts to extend their conveyance life. In 2024, a Canals Regional Asset Management Plan was introduced to guide project delivery teams in making risk-informed decisions regarding program goals, prioritization of more than 200 identified projects and assessment of capital needs.

Maintenance Shops

The Canal Corporation relies heavily on skilled employees to fabricate and repair critical infrastructure components. These employees perform welding, woodworking and electrical work, and specialize in repairing pieces of nearly century-old equipment that are no longer available for purchase. This maintenance work provides aging assets with the expert attention they need, maximizing their strength, longevity and safety. It also helps reduce our dependency on outside suppliers and promote the sustainable business principles of repair and reuse.

New York State Canal System Infrastructure Investment

Fifty million dollars was appropriated in the fiscal year 2024-2025 New York State budget for the preservation and enhancement of the Canal System which targets high-priority infrastructure repairs essential for operations in the future. Projects include rehabilitation of aging water-impounding structures like reservoir dams, waste weirs and earthen embankment dams, as well as enhancements to water management infrastructures, such as guard gates, that will increase resilience to high-water events. This investment in the safety and functionality of the canals will help bolster tourism and stimulate economic activity across more than 200 upstate communities along the canal corridor as the Canal Corporation prepares to commemorate the Erie Canal's bicentennial in 2025.

[1] "The hazard class of a dam is an indication of the estimated consequences if the dam were to fail. It is not an indication of the condition of the dam." — New York State Division of Water 3.1.5 Guidance for Dam Hazard Classification, New York State Department of Environmental Conservation.

Canals Safety Work Planning

In 2024, 81 Canal Corporation supervisors completed advanced job hazard analysis training with an accredited Occupational Safety and Health Administration provider. The program, totaling 648 hours, equipped 87% of supervisors with hazard recognition skills to identify and mitigate workplace risks. The training has also prompted ongoing discussions among employees about integrating safety into job planning.

Environmental Stewardship

As an organization that relies on clean, predictable water flows to operate the canals, ecosystem health is integral to our business. We work to preserve, restore and manage canal-adjacent environments and ecosystems that support our premier waterways and trails.

Mohawk and Oswego River Basins Flood Mitigation Efforts

Following a year-long study, the Upstate Flood Mitigation Task Force and the Canal Corporation advanced several projects in 2024 to mitigate future flooding in the Mohawk and Oswego river basins. These initiatives aim to strengthen the natural flood protection defenses within these watersheds through the restoration of floodplains and by addressing erosion and sedimentation in tributaries. One notable project is the development of unified watershed mapping and modeling of the Oswego and Mohawk river basins, which will strengthen resilience against severe weather impacts and safeguard residents from future high-water events.

Fall Fishing ACEC Award

We continued our Fall Fishing program in 2024, timing canal water releases into north-flowing tributaries to optimize fish spawning and enhance the angling experience. The program was honored with an Engineering Excellence Diamond Award by the American Council of Engineering Companies for the strategic use of canal infrastructure that allows regulated flows of water from the Erie Canal into Lake Ontario tributaries.

Ice Jam Mitigation

Our Ice Jam Mitigation program entered its fourth year in 2024. The program uses ice-breaking tugboats to reduce the risk of ice jams and flooding in Schenectady County by creating open channels for ice to flow downstream. These efforts along the Mohawk River and Erie Canal have enhanced community resiliency, raised awareness about ice jam risks and provided valuable insights for future planning and adaptation of the Canal System.

Round Goby Rapid Response Plan

In June 2024, after detecting environmental DNA of the round goby in our Champlain Canal, we implemented operational changes to prevent the spread of this invasive species. The New York State Department of Environmental Conservation and the Canal Corporation initiated these changes as part of a proactive Rapid Response Plan to protect the Lake Champlain Basin.

Sustainability Spotlight:
Canals Montezuma Wetlands Enhancement

In 2024, we completed a significant environmental enhancement project at the Montezuma Wetlands Complex in Central New York. This initiative aimed to increase ecological connectivity within the 180 acres of wetland and improve habitat for various wildlife species. Key activities included constructing channels to adjust water depth and reconnect the Seneca River with its floodplain, as well as efforts to manage invasive species and reintroduce native flora. The revitalized wetland now boasts improved hydrology and more diverse plant life. The project increases the resilience of the Canal System and expands opportunities for nature-based recreation.

Fleet Renewal for Maintaining Operational Efficiency

The Canal Corporation utilizes tugboats for maintenance activities, such as buoy replacement and retrieval, movement of spoils and transport of dredge pipe and equipment. In recent years, we determined several of our vessels are in need of replacement. We have ordered new tugboats, with testing and delivery of the first two scheduled for 2025. A significant amount of fabrication of the first vessel, the Thomas X. Grasso, and the design and some early construction for the second vessel, the Tug Rome, took place in 2024. Two additional tugs, yet to be named, are also planned, one with expected delivery in 2026 and the second in 2027.

Economic Development and Accessibility

We explore ways to adapt Canals infrastructure for public benefit and develop plans to repurpose land and waterways for renewed use. We also partner with local governments, non-profits and federally recognized Native American tribes to offer tourism opportunities, amenities and events on the Canal System.

Brockport Pedestrian Bridge

The Canal Corporation continued to make progress in the construction of the Brockport Pedestrian Bridge over the Erie Canal, with a planned opening in 2025. The bridge connects the SUNY Brockport campus directly to the Empire State Trail and the Village of Brockport. This infrastructure development is part of a broader initiative to enhance recreational and communal facilities and increase accessibility in the area. It will facilitate convenient passage across the Canal, and serve as a prime viewing area for rowing competitions. The construction is partly funded by a $2 million grant from the Ralph C. Wilson Jr. Foundation.

Final Installation of Iconic Lighting Program: Tonawanda Bridge

The Iconic Lighting program in Tonawanda highlights the renewal of historic assets and refocuses community attention on their historical significance and future potential. This program has successfully illuminated five structures, including the Fairport Lift Bridge, Lock 17 in Little Falls—which is the highest single lift on the Canal System—as well as lighthouses in Brewerton and Verona Beach on Oneida Lake. The most recent addition is the lighting of the rail bridge that spans the Erie Canal, connecting the City of Tonawanda with North Tonawanda. These lighting projects enhance the aesthetic appeal of these structures and help to boost economic development within these communities.

Guy Park Manor

We continued efforts to revitalize the exterior of the historic Guy Park Manor in Amsterdam, which was damaged during a storm in 2011. In 2024, we celebrated a significant milestone: elevating the building by 3 feet 9 inches and raising the first floor 7 feet above the 100-year flood elevation to protect it from future flooding. Additional renovations to the building foundation and exterior will continue in 2025.

Canals Serves As Critical Public Infrastructure for Economic Development

In 2024, commercial traffic on the Canal System grew substantially, and tonnage increased from 23,000 tons in 2023 to 44,800 tons. The rise in commercial activity was driven in part by the shipment of the Ralph C. Wilson Park pedestrian bridge, the expansion of Brean Stone's stone aggregate operations along the Champlain Canal and transport of electrical cables for the Champlain Hudson Power Express.

The Ralph Wilson Park pedestrian bridge was manufactured in Italy and was transported to Buffalo via the Erie Canal after arriving at the New York City Harbor. The bridge will span 266 feet across Interstate 190 and the CSX railroad line to link the new park with Buffalo's Lower West Side, with an opening planned for 2026.

Public-Facing Programs

On the Canals, a program focused on community revitalization, completed its fifth year in 2024, hosting more than 37,000 participants. The program attracts new users to Canals waterways and the Empire State Trail, and creates opportunities for economic development in nearby communities.

We continued to focus on increasing participation from underrepresented communities through ongoing additions of programming, including recreational opportunities enabling people of all abilities to participate together. Eighty-two percent of the 2024 On the Canals budget went toward Diversity, Equity, Inclusion and Accessibility related adventures in these communities.

On the Canals Accessibility Education Program

In June 2024, we launched the groundbreaking Accessibility Education Program with 12 participants, providing more than 500 contact hours dedicated to transforming recreation providers into champions of inclusivity and accessibility. This effort ensures that all New Yorkers can fully experience and enjoy the state's waterways. One of the program participants, Stony Point Art Studio in Fairport, utilized our development support to transition from a home-based operation to a brick-and-mortar location designed to cater to diverse learning styles and abilities.

Bicentennial Commission

Co-chaired by First Gentleman William Hochul and Canal Corporation Director Brian U. Stratton, the Erie Canal Bicentennial Commission was created in 2024 and is tasked with orchestrating the events and activities leading up to the 2025 World Canals Conference in Buffalo. This celebration marks the 200th anniversary of the Erie Canal and casts a forward look to future operations and enhancements of the Canal System.

Commemorative initiatives include community waterfront projects, arts and cultural events with local orchestras, and an academic forum series in partnership with the State University of New York. These activities aim to enhance statewide appreciation and use of this iconic waterway as a vital part of New York's heritage and future.

The first academic forum, which was held at Monroe Community College, focused on increasing accessibility and inclusivity within the Canal System and Canalway Trail. Topics included ableism and accessible recreation, universal design and practical steps for incorporating inclusion. Participants attended panel discussions and a vendor exposition showcasing adaptive equipment.

Telling Untold Stories—Erie Canal Artist-in-Residence Program

2024 Erie Canal Artist-in-Residence cohort artists conducted a year-long creative inquiry into the Erie Canal, exploring themes of women and work, religion, and the contemporary visualization of the historic canal. The Artist-in-Residence Program, launched in 2023, fosters dialogue and creates meaningful, thought-provoking interactions that breathe new life into our waterway.

Supporting Our **People and Communities**

As we strive to promote New York State's just energy transition, we prioritize efforts to support the health and well-being of the Authority's employees and to be a good neighbor to the communities in which we operate. The following pages describe how—through community programs, engagement with local and diverse suppliers, employee development initiatives and the celebration of diversity—we are building a resilient social ecosystem that will help New York thrive.

Supporting Our People

Our strength lies in our people. This year, we intentionally focused on inclusion, innovation and accessibility to align with our organizational goal of fostering a collaborative workplace. We aim to ensure that every member of our team is equipped not only with the tools needed for their immediate role but also with opportunities for personal and professional development.

Our policies, programs and initiatives are created to promote an environment where employees feel supported and have an equal opportunity to succeed and contribute. We invest in training designed to build a diverse, skilled workforce and set clear expectations for compliance with our policies.

The Authority provides comprehensive health benefits, including physical and mental health, financial and retirement planning, continuous learning opportunities and programs designed to enhance work-life balance. By investing in employee well-being and addressing identity-specific challenges in the workplace, we are able to build a stronger, more innovative organization.

Promoting a Diverse and Inclusive Culture

Our commitment to advancing Diversity, Equity, Inclusion and Accessibility (DEIA) is embedded in our strategy as one of VISION2030's Foundational Pillars. We collaborate with multiple stakeholders to embed equity and inclusion into every level of the organization. The Authority believes inclusivity drives innovation, informs better decision-making and strengthens our ability to serve our communities.

We offer programs to improve workplace experiences and support professional development for all employees, including diverse and historically underrepresented employees:

- Our Pathways Professional Development program provides group learning, skill application, peer coaching and mentoring to non-managerial people of color employees.
- Our partnership with the McKinsey Connected Leaders Academy (CLA) Management Accelerator Program helps early- to mid-career leaders refine their skills in a cohort learning environment. The McKinsey CLA Executive Leadership program addresses specific challenges faced by Asian, Black and Hispanic/Latino executives.
- Our Advancing Women Executives Academy offers career accelerator skills, including professional branding, networking and executive presence.

Opportunities are provided at all levels to connect business priorities to DEIA and to foster a culture of psychological safety where all voices are valued. We hosted our annual DEIA Executive Leadership Summit, which focused on accessibility. Leaders gathered to discuss benevolent marginalization and to identify potential challenges. They also considered how practices and policies can be intentionally designed to ensure that every employee, especially those with visual, hearing or physical impairments, can fully engage in the workplace.

We continued to host regular employee conversations about DEIA. This included a series of conversations called "Catalyst for Change—Dialogue and Growth for Men." These sessions created a space for male employees to forge deeper, more authentic connections with other men while exploring how to navigate evolving gender roles.

We embed DEIA in our recruiting process by including equity-focused checkpoints at various stages of our hiring process that promote consistent evaluation standards and mitigate bias in decision-making. These checkpoints include using standardized interview questions, broadening hiring panels, providing salary transparency and updating job postings with gender- and disability-inclusive language. In 2024, all of our recruiters completed AIRS® Diversity Recruiter Certification.

Employee Resource Groups

NYPA's voluntary, employee-led Employee Resource Groups (ERG) are open to all employees and help educate and engage employees with activities that can have a meaningful impact on our business. Our six ERGs are Women in Power, Veterans, Eco Team, Generations, Pride in Power and Multicultural. We launched an expanded demographic survey to learn more about our employees and the different communities they are a part of, including individuals with disabilities, LGBTQIA+, Gender X, Veterans and the National Origin of Asian and Latino employees. As a result of the survey, we are creating a seventh ERG focused on neurodivergence and disabilities, to begin in 2025.

In 2024, we developed a new ERG policy to facilitate self-organization and provide clear and consistent guidance for operating ERGs. The new policy resulted in pilots of three sub/micro groups at NYPA's Frederick R. Clark Energy Center for Veterans, Women in Power and Generations.

From embedding equity into our core operations and practices to expanding pathways for inclusive leadership, we have laid a strong foundation for sustainable impact. There is still work to be done but we are committed to deepening our practices, being accountable and building a culture where every employee feels valued and empowered to thrive.

Together for Pride

NYPA celebrated Pride Month with fellow New Yorkers and our partners in other utilities at the New York City, Syracuse, Buffalo and Albany Pride parades. We are proud of our efforts to support LGBTQIA+ rights in the workplace and in the communities we serve.

Hudson Valley Honor Flight

On May 18, our Veterans Employee Resource Group participated in a pre-flight send-off and welcome home rally at the Westchester County Airport, with two of our veteran-employees flying to Washington D.C. to visit war memorials with other armed forces veterans.

Global Diversity Awareness Month

During Global Diversity Awareness Month and Global Inclusion Month last year, Haben Girma, noted for being the first deafblind graduate of Harvard Law School, shared insights on her journey and the challenges faced by individuals with disabilities, and highlighted the benefits of creating more accessible and inclusive environments.

Protecting Our People & Promoting Well-Being

Health and Safety

The Authority's Health and Safety program complies with all regulatory requirements, including those mandated by the state Department of Labor's Public Employee Safety and Health Bureau.

Each of NYPA's sites has a regional Union Management Safety Committee that includes appropriate employee and union representation. These committees ensure training requirements, operational safety communications and escalation resources are consistent and effective. Every year, NYPA conducts internal and third-party environment, health and safety compliance audits at select facilities. We also maintain a culture of health and safety through compliance, skill development and management training courses.

We also made significant progress in injury prevention and ergonomic improvements across multiple locations. Efforts included 91 on-site visits and 369 individual consultations. Those involved in high-risk tasks, including fleet maintenance and mechanical work, received specialized training and engineering modifications to improve safety.

NYPA and Canals employees were offered the opportunity to participate in a safety culture survey in March 2024. The findings indicated that overall safety awareness throughout the Authority trends below the industry average for both Utilities/Power Generation and Port and Harbor Operations. This was discussed with NYPA, Canals and Union leadership in small workshops where five key areas for improvement were identified: Engagement, Communication, Consistency, Training and Stop Work Authority.

To enhance safety culture, three key initiatives will be launched in 2025:

EHS Digital Solution: A digital application for all EHS documentation to improve processes through data analysis and trending.

"Why I Work Safely" Campaign: A company-wide campaign promoting individual reasons for prioritizing safety and helping build a team commitment to safety.

Safety Culture Training: A management training to identify and mitigate hazards and define expectations that prioritize worker safety.

Employee Benefits

The Authority offers a broad range of benefits that can be customized to meet the health and well-being needs of employees and their families. This includes the Employee Assistance Program (EAP), which provides support with mental health issues and child and elder care. EAP also offers personal and career coaching services, healthy living resources, and financial and legal counsel discounts. Employee financial well-being needs are addressed through New York State's Local Retirement System or Voluntary Defined Contribution Plan.

We provide generous vacation and sick time and offer various leaves of absence programs. During 2024, we expanded benefits for pregnant employees, including paid time off for prenatal care. In addition, we installed two ablution stations ("wudus") adjacent to our prayer room in NYPA's White Plains office to support Muslim employees' religious observances. All employees continue to receive annual training on how to request reasonable accommodations for medical, pregnancy, religious or domestic violence concerns.

Mental Health First Aid Training

As an organization focused on employee safety and wellness, we offer managers a way to identify and support staff who may need mental health assistance. Our optional Mental Health First Aid certification helps managers identify common signs and symptoms of mental health and substance use challenges. It provides guidance on how to interact with a person in crisis, and how to connect a person with help in handling trauma and substance use, as well as self-care. Eighty-six of the Authority's managers and those in key roles became certified in 2024.

Laying the Path for a Meaningful Career

NYPA maintains a multi-year, organization-wide development initiative to help attract and retain a high-performing, diverse workforce, foster learning and provide pathways for fulfilling careers. In 2024, we continued a project to standardize career pathways and streamline job descriptions, focusing on the core knowledge, skills and abilities needed for success. The streamlined descriptions help remove barriers to entry for candidates looking for new opportunities and potentially broaden the pool of qualified candidates. The new job architecture will be used for career and skill development, talent acquisition and market benchmarking.

All full-time management employees have access to our Talent Development curriculum, which provides training opportunities to meet specific learning needs.

2024 Achievements

We ran two cohorts of our MANAGE Blue program, which provides newer managers with foundational skills required to lead a team. This eight-week learning experience incorporates instructor-led training, assessments to build self-awareness and tools to guide new managers through their transition to people leaders. In fall 2024, our first Canals employee participated in the program.

Several professional development programs were offered to advance our future leaders pipeline, including Pathways Professional Development Program, Connected Leaders Academy and Advancing Women Executives.

NYPA partnered with Chief to offer senior-level women employees peer mentoring and education sessions with an external network of other female executives.

In response to feedback from our last employee engagement survey, we held a Mastering Feedback workshop series to help managers understand the importance of accountability and how feedback is essential in driving it.

A new cohort of NYPA employees started the MBA in Sustainability through NYPA's partnership with Bard College. Twenty-four employees have graduated from the program.

We offered technical training opportunities to union employees for a variety of engineering, project management and supervisory disciplines. Courses included Institute of Asset Management Certificate and Diploma, Certified Energy Manager, Substation Design, Transmission Planning and Analysis and NYISO training. In addition, approximately 60 union employees participated in apprenticeship programs.

Engineers Week

In February 2024, NYPA hosted an annual Engineers Cup competition in celebration of Engineers Week. Forty-six teams (158 total participants) from NYPA and Canals competed to build a replica of the Fairport Lift Bridge, on the Erie Canal, with a team of employees from Canals earning the top honors.

We also held an Order of the Engineer Ceremony, which is focused on fostering a sense of pride and responsibility in engineering. In 2024, there were over 60 participants inducted and several engineers renewed their oath to pursue their profession in the spirit of public service.

Visitors Centers

Our visitors centers offer a broad range of resources to school groups and community organizations to bolster community engagement and STEM education, including interactive exhibits, educational programs and seasonal events. At the Blenheim-Gilboa Visitors Center, students engaged in a week-long underwater robotics program in 2024, a collaborative initiative developed with the non-profit Schoharie Mohawk Institute for Science and Technology. The program featured a drone and Unmanned Aircraft System exploration day facilitated by NYPA's Robotics team, where students delved into the applications and operations of unmanned aerial systems.

Supporting Our Communities

Through targeted initiatives aimed at economic development, educational enrichment and positive community engagement, we strive to uplift and empower individuals and communities across New York State.

Being a Good Neighbor

NYPA is driven by our commitment to be a good neighbor to historically disadvantaged communities throughout New York State. We leverage our expertise in energy and energy technology to provide no-cost programs and services that meet the unique needs of our communities. These programs focus on the following areas: energy-related education for youth and adults, workforce pathways, community engagement and community energy projects.

Brentwood School District STEM Education

NYPA partnered with the Brentwood School District on Long Island to bring energy-related education to 7th graders through our Energize-U Youth Programming initiative. More than 1,300 students participated in the program, which focused on the fundamentals of electricity. Throughout the course, students engaged in hands-on activities that taught them about electricity basics and introduced them to renewable resources and their impacts on and benefits to the community.

Green Classrooms

Since 2018, NYPA has supported the installation and maintenance of 36 hydroponic laboratories across New York City schools, producing more than 500 pounds of vegetables per school year. In October, we unveiled an interactive green classroom at Brooklyn's Pathways in Technology Early College High School in Crown Heights. This initiative, featuring hydroponic systems developed by NY Sun Works, includes seeding stations, tower gardens, hanging vines and composting stations.

Future Energy Leaders Program

Our Future Energy Leaders scholarship program awards one-time, $10,000 scholarships to academically accomplished, under-represented high school seniors who plan to pursue energy-related undergraduate studies. NYPA awarded 20 of these scholarships in 2024.

Since the inception of the program in 2021, NYPA has disbursed scholarships to 50 students, aiming to create a pipeline of well-educated professionals ready to address the future challenges of the energy sector.

Massena Housing Authority

We continued to partner with the Massena Housing Authority to host energy literacy and weatherization workshops; we renovated community spaces with the help of more than 20 NYPA volunteers and upgraded the lighting in residents' units to more energy-efficient LED fixtures.

2,322 students attended STEM education workshops and **745** adults attended Energize-U literacy workshops

66 paid STEM interns and fellows were mentored by NYPA employees as part of our partnership with P-TECH and gained hands-on technical experience

20 Future Energy Leaders Scholarships were awarded

208 employees volunteered at **15** events for a total of **664** volunteer hours

Supporting Local Suppliers and Building a Diverse and Resilient Supply Chain

By prioritizing supplier diversity and providing opportunities to small, local businesses, NYPA can help strengthen local economies and build a more robust and flexible supply chain capable of withstanding disruptions.

We are committed to assisting Minority- and Women-Owned Business Enterprises (MWBE), Service-Disabled Veteran-Owned Businesses (SDVOB) and Small Business owners in building capabilities so they can compete in Authority procurements. To this end, NYPA supports three business development programs: Surety Bond Training, Small and Local Business Capacity Building and Mentor-Protégé.

In July 2024, we celebrated 88 graduates of the Small and Local Business Capacity Building and Surety Bond Training programs. These programs provide comprehensive support to businesses in early- and mid-stages of growth that includes one-on-one advisory services, group discussions and workshops. In November 2024, we convened our third cohort of 101 participants, which includes MWBEs, SDVOBs and New York State small businesses.

Our Mentor-Protégé Program connects small business owners with established prime contractors to gain industry knowledge and insights and improve their chances of successfully competing and winning on projects. NYPA's Supplier Diversity team provides critical support in establishing the mentor-protégé relationship and guiding capacity-building activities.

Through initiatives like the Sustainable Supply Chain Alliance, we collaborate with other electric utilities to conduct annual ESG supplier assessments and provide resources to help suppliers improve their sustainability performance.

We are engaged in enhancing supply chain sustainability and reducing our upstream environmental footprint. In 2024, we focused on setting up a process to collect Environmental Product Declarations for key construction materials, including glass, concrete, steel and asphalt. Beginning in 2024, emissions associated with construction materials are reported annually under New York State Executive Order #22. This data is being used to create a statewide baseline and embodied carbon emission reduction strategy.

Sky Farm LIC

NYPA and the Variety Boys and Girls Club of Queens celebrated the expansion of the Sky Farm LIC rooftop farm in 2024. The farm, which cultivates crops and supports biodiversity through its beehives and bird habitats, also functions as an educational resource for local children and the community. The expansion included new food production areas, walking paths and additional farming supplies.

Looking **Forward**

Our enhanced strategy, VISION2030 Renewed, is positioning us to diligently manage risks and capitalize on opportunities within the evolving external environment. Climate change presents a significant challenge to our state and economy. The demand for energy is growing, driven by technological innovations such as artificial intelligence and data centers. At the same time, higher interest rates, inflation, supply chain disruptions and uncertainties driven by federal actions pose risks to our operations. We are committed to advancing the transition to renewable energy with our expanded authority and supporting our customers, communities and economy by ensuring that the energy provided is reliable and affordable.

In 2024, the NYISO completed a Reliability Needs Assessment that evaluated the reliability of New York's bulk electric grid from 2028 through 2034, taking into account peak power demand forecasts, planned transmission upgrades and changes in the generation mix. Key findings highlight the anticipated reliability challenges in New York City beginning in summer 2033, due to increased peak demand for power, the planned retirement of NYPA's small natural gas power plants and other power system changes. The assessment suggests a pressing need for strategic adjustments to our generation and transmission assets to support the NYISO and ensure reliable power delivery. Based on a 200-MW reduction in its load forecast, the NYISO has determined that it will not solicit solutions to these needs at this time, but warned that narrowing resource margins continue to be a concern. In April 2025, the NYISO published an update to the assessment, showing that reliability needs in New York City continue to increase.

To meet rising system demands, we are undertaking the largest transmission overhaul in decades. We're also striving to strengthen clean energy partnerships with customers as we transition toward a more sustainable energy landscape.

NYPA is already pursuing renewable energy projects under our expanded authority and announced NYRED's acquisition of Somers Solar, LLC in early 2025. This marks an important milestone in the expansion of our energy generation in New York.

While we continue our focus under the expanded authority on renewables and energy storage, we are also expanding our efforts to develop new nuclear power in New York State. On June 23, 2025, Governor Hochul directed NYPA to develop and construct a zero-emission advanced nuclear power plant in Upstate New York to support a reliable and affordable electric grid, while providing the necessary zero-emission electricity to achieve a clean energy economy. Under this directive, NYPA will begin by evaluating technologies, business models and locations for this first nuclear power plant and will work to secure the key partnerships needed for the project.

These efforts underscore our commitment to innovation and environmental responsibility, paving the way for a sustainable energy future for New York.

06 DISCLOSURES INDEX

Performance Data

The metrics included in this section cover the period from Jan. 1, 2024, to Dec. 31, 2024. The Performance Data tables include key indicators that NYPA tracks, and which also align with the Global Reporting Initiative and Sustainability Accounting Standards Board. The GRI and SASB Content Indices can be found on pages 70 and 83 respectively.

Greenhouse Gas Emissions

NYPA's greenhouse gas (GHG) emissions include the following: carbon dioxide, methane (CH_4), nitrous oxide (N_2O), sulfur hexafluoride (SF_6), and hydrofluorocarbons (HFCs). NYPA excludes reporting of perfluorocarbons (PFCs), hydrochlorofluorocarbon (HCFCs) and nitrogen trifluoride (NF_3) as they are not emitted in any operations within the operational boundaries. In alignment with GRI 305, GHG emissions reported in these performance tables utilize 100-year Global Warming Potential (GWP) values from the IPCC's AR5. GHG emissions in the following report sections utilize 20-year GWP values from the IPCC's AR5, in alignment with the CLCPA directive for state entities: Our 2024 Performance, Our Value Creation Model and Decarbonize Electricity Generation.

CO_2e, GWP 100-Year (Metric Tons)	2022	2023	2024[1]
Scope 1 Greenhouse Gas Emissions	1,777,830	1,797,507	1,967,626
Scope 2 Greenhouse Gas Emissions (Location-Based)	64,363	38,975	90,659
Scope 2 Greenhouse Gas Emissions (Market-Based)	N/A	38,974	90,524
Total Scope 1 & 2 Emissions (Market-Based)	1,842,193	1,836,481	2,058,150
Scope 3 Cat 1 – Purchased Goods and Services	-	-	28,564
Scope 3 Cat 2 – Capital Goods	-	-	105,274
Scope 3 Cat 3 – Upstream Fuel- and Energy-Related Activities	4,432,440	5,428,374	5,987,905
Scope 3 Cat 6 – Employee Business Travel	616	805	813
Scope 3 Cat 7 – Employee Commuting	6,971	5,545	5,947
Total Reported Scope 3 Greenhouse Gas Emissions	4,440,027	5,434,724	6,128,503
Biogenic (Mobile Sources)	-	-	31

2024 Gases (Absolute Metric Tons)[1]	CO_2	CH_4	N_2O	HFCs	SF_6
Direct (Scope 1)	1,956,461	37	4	<1	<1
Scope 2 Greenhouse Gas Emissions (Location-Based)	90,429	4	<1	N/A	N/A
Scope 2 Greenhouse Gas Emissions (Market-Based)	90,294	4	<1	N/A	N/A
Scope 3 Cat 1 – Purchased Goods and Services	24,242	123	3	N/A	N/A
Scope 3 Cat 2 – Capital Goods	89,586	481	8	N/A	N/A
Scope 3 Cat 3 – Upstream Fuel- and Energy-Related Activities	5,322,502	23,465	32	N/A	N/A
Scope 3 Cat 6 – Employee Business Travel	765	1	<1	N/A	N/A
Scope 3 Cat 7 – Employee Commuting	5,920	<1	<1	N/A	N/A
Total Reported Scope 3 Greenhouse Gas Emissions	5,443,015	24,070	43	N/A	N/A
Biogenic (Mobile Sources)	31	N/A	N/A	N/A	N/A

2024 Gases, GWP-100 Year (Metric Tons)[1]	CO_2	CH_4	N_2O	HFCs	SF_6
Direct (Scope 1)	1,956,461	1,037	1,010	89	9,029
Scope 2 Greenhouse Gas Emissions (Location-Based)	90,429	106	124	N/A	N/A
Scope 2 Greenhouse Gas Emissions (Market-Based)	90,294	106	124	N/A	N/A
Scope 3 Cat 1 – Purchased Goods and Services	24,242	3,433	889	N/A	N/A
Scope 3 Cat 2 – Capital Goods	89,586	13,467	2,221	N/A	N/A
Scope 3 Cat 3 – Upstream Fuel- and Energy-Related Activities	5,322,502	657,017	8,386	N/A	N/A
Scope 3 Cat 6 – Employee Business Travel	765	28	20	N/A	N/A
Scope 3 Cat 7 – Employee Commuting	5,920	6	21	N/A	N/A
Total Reported Scope 3 Greenhouse Gas Emissions	5,443,015	673,951	11,537	N/A	N/A
Biogenic (Mobile Sources)	31	N/A	N/A	N/A	N/A

GHG Emissions Intensity	2022	2023	2024[1]
Total Net Power Generation (MWh)	26,389,752	26,924,316	27,414,161
Net Fossil Generation (MWh)	3,951,430	4,304,865	4,789,195
Direct (Scope 1) Total Intensity (MT CO_2e/MWh)	0.067	0.067	0.072
Direct (Scope 1) Fossil Intensity (MT CO_2e/MWh)	0.450	0.418	0.411

[1] Read the full statement of Greenhouse Gas Emissions with Independent Accountants' Review Report (limited assurance, Scopes 1, 2, certain Scope 3 emissions and GHG intensities, 2024) thereon.

Nitrogen Oxides (NOx), Sulfur Oxides (SOx) and Other Significant Air Emissions

Reportable emissions from our fossil generating assets in Southeastern New York.

	2022	2023	2024
NOx (excluding N_2O) (kg)	242,202	159,132	165,358
SOx (kg)	9,874	9,309	10,122
Volatile Organic Compounds (VOC) (kg)	14,283	18,002	19,421
Hazardous Air Pollutants (HAP) (kg)	14,141	15,063	16,819
Particulate Matter - Total PM (kg)	5,000	13,575	34,720

Water Withdrawal and Consumption

	2023	2024
Total volume of water withdrawn (billion kiloliters)[1]	**2,899.49**	**2,978.85**
Water withdrawn from surface water (billion kiloliters)	2899.49	2,978.85
Water withdrawn from ground water (kiloliters)	565,651	700,582
Water withdrawn in regions with high or extremely high baseline water stress (%)	0.0000195	0.00000007
Total volume of water consumed (kiloliters)[2]	**6,692,587**	**6,773,822**
Water consumed in regions with high or extremely high baseline water stress (%)	8.20	6.51

[1] Water withdrawn to serve Niagara and St. Lawrence-FDR turbines at hydro facilities (and returned/discharged). Also includes water withdrawals for operating Flynn power station Municipal water is not included.

[2] Consists of water evaporation at Niagara plus at Flynn Plant, calculated as the difference between well water withdrawn and water reinjected. Municipal water is not included.

Waste Generated, Directed to Disposal and Diverted From Disposal[3]

Non-hazardous wastes are not included in reporting scope for 2024 or prior years. NYPA is evaluating ways to track non-hazardous waste in the future.

NYPA Hazardous Waste (Metric Tons)[3]			
	2022	2023	2024
Total weight	**57.8**	**9.54**	**4.02**
Recycling	2.71	0.023	0.03
Incineration (mass burn)	5.77	9.15	4.02
Landfill	0.15	0.27	0.00
Other[3]	49.2[4]	0.10	0.00

Canals Hazardous Waste (Metric Tons)[3]			
	2022	2023	2024
Total weight	**12.77**	**11.91**	**11.98**
Incineration (mass burn)	1.33	0.56	0.48
Landfill	8.32	11.35	11.59
Other[5]	3.12	2.2	0.00

[3] All hazardous waste disposed or diverted from disposal conducted off-site for NYPA and Canals.

[4] Largely represents sulfuric acid and debris spill response at Flynn.

[5] Lead-impacted wastewater, treatment via filtration techniques.

2024 Electric Rates and Rate Comparisons

NYPA Customer Segments	NYPA Rates ($/MWh)[1]	Utility/Market Rate Estimates ($/MWh)
Residential	N/A	N/A
Hydro Cost-Based ($)	12.57	40.67
Hydro Economic Development ($)	42.55	63.63
Hydro Industrial ($)	34.45	42.85
NYC Governmental ($)	78.86	110.32
Westchester County Governmental ($)	65.61	95.87

[1] Production rates include market costs that are passed through to customers as incurred by NYPA, as applicable.

Representative Risks and Opportunities Arising From External Factors, and Actions That Affect Affordability

External Factors[2]	Risks	Opportunities	NYPA Actions
Economic hardships	Customer inability to pay electric bills	• Build strong relationships with communities and customers • Promote business growth and economic resilience	• Offer tailored rate structures and rate plans • Execute long-term contracts • Provide customer and community energy efficiency programs and services that lower bills (and reduce greenhouse gas emissions) • Open communication and transparency on rate changes to help customers plan and budget
Carbon transition	Transition to microgrids, wind and solar, reducing NYPA's competitive advantage and increasing rates	• Expand customer clean energy services programs	• Expand transmission to interconnect renewables • Continue generating clean reliable energy for New York State (hydropower) • Provide building and vehicle energy efficiency, electrification and renewable energy services to customers
Physical impacts of climate change	Physical impacts to infrastructure and inability to meet customer needs	• Invest in innovation, efficiency and growth to meet changing customer and stakeholder needs	• Conduct climate vulnerability assessment and spillway analysis • Harden NYPA assets • Enhance biodiversity and climate resilience of NYPA land • Expand clean energy services offerings

[2] This list of external factors is not exhaustive.

Headcount[1]

Composition by Employment Type			
	Female	Male	Total
NYPA			
Permanent	563	1594	2157
Provisional	6	11	17
Temporary	15	25	40
—or—			
Full time	576	1627	2203
Part time	8	3	11
NYPA Headcount, total	**584**	**1630**	**2214**
CANALS			
Permanent	71	396	467
Provisional	0	5	5
Temporary	4	35	39
—or—			
Full time	75	436	511
Part time	0	0	0
Canals Headcount, total	**75**	**436**	**511**

Composition by Gender and Age						
	Females	Females (%)	Males	Males (%)	Total Headcount	Total Headcount (%)
NYPA						
Under 30	59	2.7%	143	6.5%	202	9.1%
30 – 50	306	13.8%	860	38.9%	1166	52.7%
Over 50	219	9.9%	627	28.3%	845	38.2%
Total	**584**	**26.4%**	**1630**	**73.6%**	**2214**	**100.0%**
CANALS						
Under 30	9	1.8%	65	12.7%	74	14.5%
30 – 50	30	5.9%	184	36.0%	214	41.9%
Over 50	36	7.0%	187	36.6%	223	43.6%
Total	**75**	**14.7%**	**436**	**85.3%**	**511**	**100.0%**

[1] In the Disclosures Index, "headcount" refers to active permanent, provisional and temporary employees, full-time and part-time, as well the chairman, unless otherwise indicated as of Dec. 31, 2024.

Headcount[1] by Gender and Race													
	Amer Indian		Asian		Black		Hispanic		Two or More Races		White		Grand Total
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
NYPA													
Management	1	10	78	191	61	60	55	112	10	15	279	754	**1,626**
Union	1	7	1	4	5	15	1	9	0	3	92	450	**588**
Total	**2**	**17**	**79**	**195**	**66**	**75**	**56**	**121**	**10**	**18**	**371**	**1,204**	**2,214**
CANALS													
Management			0	0	1	0	1	2	0	0	11	30	**45**
Union			2	1	3	4	3	14	0	3	54	382	**466**
Total			**2**	**1**	**4**	**4**	**4**	**16**	**0**	**3**	**65**	**412**	**511**

[1] In the Disclosures Index, "headcount" refers to active permanent, provisional and temporary employees, full-time and part-time, as well the chairman, unless otherwise indicated as of Dec. 31, 2024.

2024 NYPA DEIA[2] Recruitment and Engagement Indicators

	Female	Male	POC[4]	White	Ethnicity Non-Disclosed
Candidate Offers (%)	24.3	58.6	36.5	50.3	13.2
Candidate Hires (%)	25.2	57.7	34.9	52.2	12.9
Staff in Mentorship (3% of eligible management population elected mentoring opportunity)[3]	40.0	60.0	100.0	0.0	N/A

[2] Diversity, equity, inclusion and accessibility

[3] Mentoring available to permanent management employees with at least a year of service.

[4] People of Color defined as self-identified for race/ethnicity for American Indian, Asian, Black, or African American, Hispanic, or Latino and Two or More Races.

2024 NYPA[1] Gender, Regional Workforce Population, Race or Ethnicity (%) Compared to Utility[2] and/or New York State[3]

Gender				
	NYPA	Utility Benchmark	New York State Population (2018–2022)	New York State Population (2023–2024)
Male (%)	73.6	75.7	48.3	51.7
Female (%)	26.4	24.6	51.7	48.3

Regional Workforce Population (%)								
NYPA Total	Capital Region	Central New York	Hudson Valley	Long Island	Mohawk Valley	New York City	North Country	Western New York
2,214	100	11	1033	17	355	65	292	341
100 %	4.5 %	0.5 %	46.6 %	0.8 %	16.0 %	2.9 %	13.2 %	15.4 %

Race or Ethnicity																		
				Capital Region		Central New York		Hudson Valley		Long Island		Mohawk Valley		New York City		North Country		Western New York	
	NYPA (%)	Utility Benchmark (%)	NYS Population (2019–2023	NYPA	NYS Population (2019–2023)	NYPA	NYS Population (2019–2023)	NYPA	NYS Population (2019–2023)	NYPA	NYS Population (2019–2023)	NYPA	NYS Population (2019–2023)	NYPA	NYS Population (2019–2023)	NYPA	NYS Population (2019–2023)	NYPA	NYS Population (2019–2023)
Asian, excluding Hispanic or Latino	12.1	1.7	7.8	12.0	3.8	0.0	2.5	22.7	4.0	5.9	6.4	2.5	2.2	19.1	12.1	10.7	0.9	2.8	2.9
Black or African American, excluding Hispanic or Latino	6.1	7.5	11.9	1.0	6.7	9.1	6.3	9.6	9.7	0.0	8.1	1.9	2.9	20.0	16.9	11.4	1.6	3.0	8.2
Hispanic or Latino	7.6	3.4	15.8	5.0	5.0	0.0	3.8	13.9	18.3	11.8	16.9	1.3	5.3	18.2	21.0	11.6	2.8	7.5	4.8
White, excluding Hispanic or Latino	72.5	84.7	15.6	80.0	76.9	90.9	80.9	52.0	50.9	82.4	53.5	93.4	83.3	39.1	29.8	61.7	89.1	80.8	77.4
Other Race, excluding Hispanic or Latino	1.7	1.0	49.0	2.0	7.5	0.0	6.6	1.8	17.0	0.0	15.1	0.9	6.3	3.6	20.3	4.6	5.7	5.9	6.6

[1] Does not include Canals headcount.

[2] From PriceWaterhouse Coopers 2020 Benchmark Survey of 59 public and private utilities and the Women in the Workplace 2021 report.

[3] NYS DOL division of research & statistics. Source: 2019–2023 years American Community Survey (Tables B21005, B23001, C18120, C23002A, C23002B, C23002D, C23002I, B23006), ACS. Demographics of the Civilian Labor Force for NYS and the NYS Labor Market Regions. NYPA's White Plains office is in the Hudson Valley, Albany administrative office is in the Capital Region, Syracuse administrative office is in Central NY, Flynn Plant is in Long Island, small natural gas power plants and Zeltmann Power Project are in New York City, Clark Energy Center and Blenheim-Gilboa Pumped Storage Power Project and small hydro facilities are in Mohawk Valley, St. Lawrence-FDR Power Project and Massena office are in North Country, and Buffalo office and Niagara Power Project are in Western NY.

Diversity of Governance Bodies (%)

NYPA & Canals Board of Trustees and Executive Management Committee composition as of Dec. 31, 2024

	Female	Male	Total
Under age 30	0	0	0
Age 30–50	11.8	11.8	23.5
Over age 50	29.4	47.1	76.5
Total	**41.2**	**58.8**	**100.0**

NYPA and Canals Supplier Diversity Spend

NYPA and Canals Supplier Diversity spend is based upon established New York State certification requirements and criteria for MWBE[1] and SDVOB[2] firms. Utilization data, a key component to measure our success, is submitted to the state of New York each quarter, and our utilization growth plans and outreach activities are integral parts of our Annual Master Goal Plans that is submitted and approved by the state.

Total Spend	2024
NYS-certified MWBEs ($)[1]	$121,662,931
NYS-certified SDVOBs ($)[2]	$14,941,013

[1] Minority and Women's Business Enterprise (MWBE)

[2] Service-Disabled Veteran Owned Business (SDVOB)

Average Hours of Training Per Year Per Employee[4]

NYPA				Canals			
	2022	2023	2024		2022	2023	2024
Female	21.7	28.4	31.7	Female	25.6	31.9	41.0
Male	42.7	50.0	47.4	Male	55.5	56.5	61.3
Total	**37.6**	**44.3**	**43.3**	**Total**	**50.9**	**52.5**	**58.3**

[4] In the Disclosures Index, "employees" refers to active permanent, provisional, and temporary employees, full-time and part-time, unless otherwise indicated as of Dec. 31, 2024.

Performance and Career Development Reviews

Overall percentage of full-time NYPA unrepresented employees receiving regular performance reviews. Canals does not have a formal performance review process but is developing a comprehensive plan.

Employees Receiving Performance Reviews (%)			
	2022	2023	2024
Female	90	98	92
Male	94	98	96
Total	**93**	**98**	**95**

Collective Bargaining Agreements

Employee composition as of Dec. 31, 2024

Employees Covered by Collective Bargaining Agreements (%)			
	Female	Male	Total
NYPA	17	83	**26.6**
Canals	3.3	86.7	**91.2**

Work-Related Injuries

NYPA Health & Safety Performance			
	2022	2023	2024
Employee DART rate	1.20	0.80	0.99
Total employee recordable injury rate	2.06	1.55	2
Total employee serious injuries[1]	2	2	0
Total employee fatality rate	0	0	0
Number of near misses	439	395	424

Canals Health & Safety Performance			
	2022	2023	2024
Employee DART Rate	2.66	3.96	4.57
Total employee recordable injury rate	4.35	6.05	0
Total employee serious injuries[1]	0	1	2
Total employee fatality rate	0	0	0
Number of near misses[2]	Data not available	Data not available	Data not available

[1] This measure tracks incidents that meet the criteria of being a serious injury or fatality (SIF) based on a standard definition used by the Edison Electric Institute. Serious Injuries was developed to be a metric that better facilitates the prevention of fatalities and serious injuries that are life-threatening or life-changing for the employee. The metric should reflect the extent of serious injury to employee(s) from events within the control of the employee or employer. Serious injuries is the number of employee injuries classified as serious or fatal based on the definition used by the Edison Electric Institute for serious injuries times 200,000 (derived from OSHA's definition which hypothesizes 100 full-time employees working 2,000 hours per year) divided by the number of person-hours worked in the period.

[2] Canals does not have a Near Miss program. Safety program development has been focused on incidents (i.e., injuries), DART rate and safety training. We are developing a Near Miss program, and data will be included in future reports.

GRI Content Index

Statement of Use	NYPA has reported in reference to the Global Reporting Initiative for the period Jan. 1, 2024 to Dec. 31, 2024.
GRI 1 Used	GRI 1: Foundation 2021

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 2: General Disclosures 2022			
		The Organization and Its Reporting Practices	
2–1	Organizational details	About Us	NYPA's administrative offices are located in White Plains, NY.
2–2	Entities included in the organization's sustainability reporting	About Our 2024 Integrated Report	
2–3	Reporting period, frequency and contact point	About Our 2024 Integrated Report	Jan. 1, 2024 to Dec. 31, 2024 Annual
2–4	Restatements of information		We have revised the calculation methodology for water withdrawal since 2022; therefore we are including only data from 2023 onwards.
2–5	External assurance		NYPA obtained independent limited assurance for Scopes 1, 2, certain Scope 3 emissions and GHG intensities, 2024 data in accordance with the Greenhouse Gas Protocol and following the guidance in GRI 305-1, 305-2 and 305-4.
		Activities and Workers	
2–6	Activities, value chain and other business relationships	About Us Strategy & Value Creation Performance & Outlook	NYPA and Canals secure suppliers to support critical operations, maintenance and capital projects (including joint ventures), as well as bulk electric system, power plant, Canal System, trailway and energy efficiency projects. Nearly 4,000 contractors, consultants and equipment suppliers, among others, are engaged to support NYPA and Canals.
2–7	Employees	Stakeholders Supporting Our People and Communities Performance Data	
2–8	Workers who are not employees		As projects warrant, non-employees (consultants and contractors) are hired to augment design work, inspection and construction activities.

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 2: General Disclosures 2022			
		Governance	
2–9	Governance structure and composition	Governance Performance Data	
2–10	Nomination and selection of the highest governance body	Maintaining Sound Governance	
2–11	Chair of the highest governance body	A Message From the Chairman Maintaining Sound Governance	
2–12	Role of the highest governance body in overseeing the management of impacts	A Message From the Chairman Maintaining Sound Governance	
2–13	Delegation of responsibility for managing impacts	Risk Management	
2–14	Role of the highest governance body in sustainability reporting	Sustainability Governance	
2–15	Conflicts of interest	Maintaining Sound Governance Risk Management	NYPA's Code of Conduct requires its employees, officers and trustees to disclose any potential personal or professional conflicts of interest to the Ethics and Compliance Office. Reported conflicts are evaluated to determine their relevancy and whether corrective actions, including recusals from participation in certain business activities and projects, need to be implemented. Conflicts of interest may arise from various events, including former employment, current or former board or commission affiliations, familial relationships, personal investments, community activities and otherwise. NYPA's Board of trustees is also subject to the "Board of Trustees Conflicts of Interest Procedure," which requires the disclosure of any potential conflict of interest with individuals or entities that will appear on meeting agendas. The Corporate Secretary's Office provides the agendas to the Trustees in advance of the meetings and records conflict of interest disclosures in the meeting minutes. In certain instances, these disclosures lead to recusals from participation on the identified items.
2–16	Communication of critical concerns	Maintaining Sound Governance	Critical concerns are raised to the Executive Management Committee and Governance Committee of the Board of Trustees by the Ethics and Compliance Office on an as-needed basis. The Investigative Trends Committee (Ethics and Compliance, Employee Relations, Labor Relations, Office of Civil Rights and Inclusion) reports to the Governance Committee of the Board of Trustees on allegations and concerns statistics, including volume of cases, substantiation rates and corrective actions. NYPA employees are required by law to report instances of fraud, waste and abuse to the state Inspector General's Office. NYPA's Office of Ethics and Compliance collaborates with the state Inspector General's Office and state Commission on Ethics and Lobbying in Government on investigations and information requests.

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 2: General Disclosures 2022			
			Governance
2–17	Collective knowledge of the highest governance body		NYPA's Board of Trustees is advised regularly on the organization's sustainability progress, through presentations by staff on implementation of NYPA's strategic plan (VISION2030); progress reports on implementation of NYPA's 2023 expanded authority to, among other things, develop new renewable generation; review of annual integrated reports and other plans and reports on NYPA's sustainability work; and proposed capital projects and budgets that are aligned with the Authority's mission, sustainable development and New York State's sustainable energy policy including the Climate Leadership and Community Protection Act..
2–18	Evaluation of the performance of the highest governance body		On an annual basis, each board member completes an evaluation of its performance to meet the obligations under the Public Authorities Law. The evaluation provides an opportunity for board members to measure their individual and collective effectiveness in determining if they are following NYPA policies and procedures that apply to them, identifying areas for board improvement and to compare how their evaluation of the board's performance compares to that of other board members. These evaluations are conducted confidentially with the results compiled by the governance committee and submitted to the Authorities Budget Office. This evaluation identifies any need to improve its performance, amend its practices or procedures and clarify its expectations. Each member is committed to the highest standards of corporate governance and must hold itself accountable to the mission of the Authority and the public's interest.
2–19	Remuneration policies		Senior executives and non-represented employees at NYPA are compensated under the same compensation philosophy and remuneration policies. Variable pay is not part of our compensation program. The philosophy is built on total remuneration including base salary and benefits. Fixed pay: We provide annual merit increases based on performance against pre-established goals and leadership competencies. Senior executives set goals in alignment with VISION2030. Each executive is assessed on their performance against those goals and competencies and the result of the assessment forms the foundation for a salary increase. Sign-on statement: Recruitment incentives for the purpose of attracting staff may be recommended for vice president and above positions, however, these incentives may also be offered for high-skill, high-demand positions primarily in STEM fields. Incentives may be offered up to 10% of the midpoint of the job grade and include a two-year full repayment agreement in the event of voluntary resignation or termination for cause. Separation from Service/Severance Policy: Severance pay shall be given to an eligible employee who is involuntarily terminated through no fault of their own as a result of a layoff, reduction-in-force, restructuring or reorganization. Eligible employees are offered severance based on the length of service ranging from two weeks to a maximum of 12 weeks. Retirement plan statement: NYPA participates in the NYS Retirement System with individuals selecting a defined benefit or defined contribution option based on employment and salary. Additionally, employees may elect to participate in NYPA's defined contribution savings plan options, which include a 401(k) plan providing a match for the first 6% of pre-tax or Roth contributions at a rate of $0.50 per dollar. There is also a 457 plan. Those employees who meet eligibility criteria, including length of service, are eligible for NYPA retiree benefits, which provide retiree medical, part B reimbursement and life insurance plans.

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 2: General Disclosures 2022			
		Governance	
2–20	Process to determine remuneration		The Power Authority of the State of New York by-laws empower the trustees to establish policies regarding the payment of salary to management staff in accordance with NYPA program guidelines. The program structure is designed using several national annual salary surveys and a custom Total Remuneration (Total-R) study. These surveys are conducted by independent consulting firms and include public and private utilities and assess national and global best practice methodologies. Compensation packages within the markets assessed vary greatly based on organizational structure, position responsibilities and government sector limitations. NYPA's target Total-R strategy uses a competitive approach to determine the current market value of our jobs. The program is designed to be objective and non-discriminatory. It is also flexible enough to ensure that the company is able to recruit and retain a highly qualified workforce. NYPA's compensation philosophy guides decision-making for compensation program administration, taking into consideration market competitiveness, internal equity, flexibility and performance management. An individual's placement within a salary grade depends upon an individual's skill and experience.
2–21	Annual total compensation ratio		Annualized base ratio 3.1, annualized actual earnings 3.36 Ratio of the percent increase in base annual compensation for the organization's highest-paid individual to the median percentage increase base annual compensation for all employees is 0.8. Ratio of the percentage increase in annual actual compensation for the organization's highest paid individual to the median percentage increase actual compensation for all employees is 0.76. Information based on all NYPA and Canals full-time represented and non-represented individuals employed for the full year 2024. (Part-time employees make up less than 2% of the population; 2024 hires make up 14.9% of the population.) Ratio for increase in annual actual compensation is based on same criteria for individuals employed the full year of 2023 and 2022.
		Strategy, Policies and Practices	
2–22	Statement on sustainable development strategy	A Message From the Chairman A Message From the President & CEO	
2–23	Policy commitments	Governance	Compliance-related activities are overseen by the Executive Management Committee and the Board of Trustees' Audit, Governance, and Finance & Risk committees, reinforcing the commitments of NYPA's and Canals' leaders to institutionalize a culture of compliance across the organization. NYPA has a company Sustainability Policy as well as comprehensive company policies and procedures that address our material ESG issues. These include NYPA's Code of Conduct, eGRC Governance, Health & Safety Program, Reasonable Accommodations, Anti Retaliation, Workplace Violence, Equal Employment Opportunity, Anti-Harassment, Anti-Discrimination, Environmental, Internal Controls, FERC Standards of Conduct (SOC), Energy Market Manipulation, NERC Critical Infrastructure Protection (CIP), Risk & Resilience, Cyber Security, Guidelines for Procurement Contracts, Expenditure Authorization Procedure, Strategic Supply Management, Supplier Diversity, Environmental Health & Safety Compliance Audit Program, Internal Audit Charter, Physical Security Policy, Ethics and Compliance Program, Crisis Management, Reliability Standards Compliance and Asset Management. Company policies are also supplemented by department level policies and procedures as well as NYPA's Code of Conduct. Additional information on policy commitments relating to specific material ESG issues can be found in Our Governance and throughout the report.

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 2: General Disclosures 2022			
Strategy, Policies and Practices			
2–24	Embedding policy commitments	Governance	To ensure compliance on an enterprise-wide level, the Office of Ethics and Compliance (OEC) maintains a Compliance Repository, an electronic inventory of mandatory external reporting and training requirements (statutory and regulatory) affecting NYPA, Canals and its employees. The repository contains detailed information about reports required to be developed and submitted to external parties, as well as training required to be provided to employees. There are more than 360 profiles affecting NYPA and Canals. Designated compliance liaisons are required to review and update the Compliance Repository twice annually and confirm that the content is accurate, revise actual reporting dates, add new reporting or training requirements, or delete items which are no longer applicable. The OEC initiates annual individual reviews of the repository by business unit heads, who certify that the information under their areas of responsibility is accurate. NYPA's attorneys are requested to validate the requirements assigned to them and ensure these obligations remain applicable to NYPA and Canals. The OEC annually issues training content focused on the Compliance Repository with the goal of helping compliance liaisons reinforce and understand their roles related to maintaining and tracking reporting and training requirements in compliance with statutory and regulatory mandates. The repository is a critical component of NYPA and Canals' Corporate Compliance Program, which supports the missions of NYPA and Canals and VISION2030. NYPA also has an Employee Code of Conduct, which provides clear expectations for responsible and professional workplace conduct in alignment with the New York State Public Officers Law. NYPA and Canals continue to ensure that all employees and affiliates are aware of their workplace rights and associated expectations. In 2024, NYPA began consolidating policies and procedures related to Equal Employment Opportunity (EEO) and Reasonable Accommodations and offered training to all managers on how to deliver feedback. We continue to partner with key stakeholders at the state level, including the Office of Employee Relations, the Office of Diversity and Inclusion Management and the Chief Disability Officer. Our enterprise-wide DEIA summit is focused on ensuring and expanding accessibility in the workplace.
2–25	Processes to remediate negative impacts	Governance	NYPA provides different channels to report grievances and has various processes and Key Performance Indicators in place to remediate negative impacts. For example, the Strategic Supply Management department leverages risk mitigation tools to identify potential financial and operational risks at contract award and to monitor suppliers throughout the project lifecycle. Other examples include NYPA's public fast chargers (EVolve NY charging network) where vendors operate 24/7 call centers and staff monitor PlugShare scores, charger data and emails from end users. NYPA processes are also overseen by regulatory agencies, such as the North American Electric Reliability Corporation (NERC) and Northeast Power Coordinating Council. NYPA's Reliability Standards and Compliance group interfaces with external and internal stakeholders to ensure robust regulatory posture. Internal controls such as Potential Non-Compliance hotline, Reliability Standards and Compliance assessments are utilized to identify, investigate and self-report NERC non-compliance issues to regulatory bodies. All complaints of protected class employment discrimination are investigated internally via the Office of Civil Rights and Inclusion, in consultation with the state Office of Labor Relations' Anti-Discrimination Investigations Division, and/or externally by federal, state, and local enforcement bodies (ex: Equal Employee Opportunity Commission; New York State Division of Human Rights).

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 2: General Disclosures 2022			
Strategy, Policies and Practices			
2–26	Mechanisms for seeking advice and raising concerns	Governance	The Human Resources Department is available to all employees to provide advice or address concerns. All employees may report to the Office of Ethics and Compliance any issues relating to potential violations of the state's Public Officers Law, failure to comply with policies, regulations and laws or any other related misconduct. Bargaining unit employees can also report grievances pursuant to their collective bargaining agreements and may seek assistance from Labor Relations managers. All employees may report discrimination via the Equal Employee Opportunity Complaint process set forth in the EEO policy: internally via the state's Anti-Discrimination Investigations Division, and externally to federal, state and local oversight bodies (Equal Employment Opportunity Commission and Human Rights Commission). NYPA also has an external Employee Concerns Line for employees to report allegations or concerns related to ethical issues, statutory and regulatory compliance, and adherence to policies and procedures. All New York State employees have a statutory obligation to report suspected fraud, waste and abuse to the New York State Office of the Inspector General. Employees are encouraged to seek advice or support on work-related matters and concerns. Employee Relations supports general inquiries, coaching/consultations and complaints (non-EEO or Ethics). Complaints typically refer to work-related concerns such as employee conduct, policy and procedure violations, management behavior or treatment, workplace conflicts and performance. NYPA’s Discrimination and Harassment Investigation Executive Review Committee prescribes administrative action where NYPA’s Office of Civil Rights and Inclusion investigation of allegations of Employment-Related Protected Class Discrimination results in (1) an unsubstantiated determination against the respondent in the case; and (2) the identification of other conduct or policy violation results in the recommendation of further administrative action. There is also a cross-departmental Investigative Trends Committee (Employee Relations, Ethics and Compliance, Labor Relations, OCRI) which meets quarterly and provides updates to the Governance Committee of the Board of Trustees to review investigations and related data and activities enterprise-wide.
2–27	Compliance with laws and regulations	Risk Management	NYPA has internal controls to ensure compliance with laws and regulations including governance documents internalizing legal and regulatory requirements. NYPA's and Canals' facilities uphold compliance with all relevant international declarations, conventions and treaties, as well as national, sub-national, regional and local regulations. All NYPA and Canal facilities and projects maintain the requisite permits, spill prevention plans, physical protection barriers, mitigation measures and other applicable requirements necessary for environmental compliance. Therefore, all instances of environmental disturbance are properly addressed in accordance with regulatory procedures and do not constitute “non-compliance.” NYPA and Canals do not have any significant instances of non-compliance with laws and regulations to report for the 2024 reporting period. No fines or penalties were paid or incurred due to environmental non-compliance with laws and regulations during the reporting period or previous reporting period. NYPA and Canals were not subject to non-monetary sanctions by regulatory agencies for non-compliances reported during the reporting period. For NERC Reliability Standards specifically, as mandated by FERC, NYPA has established internal controls to ensure compliance with applicable Standard requirements. Through NYPA’s oversight and management of our Reliability Standards Compliance Program, NYPA identified and self-logged/self-reported to our regulator’s instances of non-compliance; 2022: 7, 2023: 12, 2024: 8. None of the instances of non-compliance from these reporting years incurred monetary fines. As part of the self-logging/self reporting process, NYPA developed and implemented mitigation plans which were approved and accepted by our regulator.
2–28	Membership associations		NYPA is a member of the American Public Power Association, the Electric Power Research Institute, National Hydropower Association, Electric Utility Industry Sustainable Supply Chain Alliance, the New York State Economic Development Council and the Large Public Power Council. Other memberships and partnerships are referenced throughout the report where relevant.

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 2: General Disclosures 2022			
Stakeholder Engagement			
2–29	Approach to stakeholder engagement	Stakeholders Partners With Customers and the State Supporting Our People and Communities	We view engaging our stakeholders as integral to the success of our operations. Through all our work—from bringing the community into the process of planning and developing infrastructure projects, to customer service, community engagement and local partnerships —we use proactive two-way communication to ensure stakeholder perspectives are heard, their expectations are understood and, where possible, their needs are met. We communicate through regular channels like traditional and social media, and personal contact through community programs, workshops, public meetings, surveys, policy discussions, industry conferences and our own visitor centers. Representative stakeholders include the people of New York State, NYPA and Canals board members, employees, labor unions, community organizations, schools, local residents, customers, suppliers, contractors and business partners, regulators and elected officials, industry organizations and peers, climate and energy advocacy organizations, investors and strategic partners, rating agencies and membership associations.
2–30	Collective bargaining agreements	Performance Data	
GRI 3: Material Topics 2021			
3–1	Process to determine material topics	Sustainability and Our Material Matters	
3–2	List of material topics	Sustainability and Our Material Matters	
3–3	Management of material topics	Sustainability and Our Material Matters	

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 101: Biodiversity			
101–1	Policies to halt and reverse biodiversity loss		NYPA does not have a formal biodiversity policy. Instead, it has made public commitments to support biodiversity and nature in its corporate strategy and 2021–2025 Sustainability Plan. In 2024, NYPA completed a nature materiality screening and risk assessment to identify nature-related priorities most material to its business. NYPA is now developing goals and targets in alignment with those of the Kunming-Montreal Global Biodiversity Framework. In its 2021–2025 Sustainability Plan, NYPA committed to supporting biodiversity and natural carbon storage and to protecting riparian ecosystems across its operating system. In support of these commitments, NYPA has been establishing pollinator habitat across its sites, increasing the canopy cover of native trees and identifying opportunities to improve forest health. Through the FERC relicensing agreements for our hydroelectric facilities, NYPA implements habitat improvement projects for key taxa. NYPA also distributes native trees to our customers across the state through our long-standing Tree Power program. NYPA has an internal goal to distribute at least 1,000 native trees each year through the program and we distributed 1,491 trees in 2024. For information on our Transmission ROW vegetation management policies, see “Sustainability Spotlight: Protecting Healthy Ecosystems” On the Canal System, the Earthen Embankment Integrity Program allows for the establishment of approved native plants along certain sections of non-hazard embankment lengths. This program aims to support biodiversity without compromising the integrity of these water-impounding structures.
101–2	Management of biodiversity impacts		NYPA complies with all relevant state and federal environmental regulations to help protect nature. Beyond compliance, NYPA has a policy to minimize the spread of invasive species on its ROWs. NYPA’s subsidiary, the Canal Corporation, has developed a Round Goby Rapid Response Plan to mitigate the spread of invasive round goby. Canals is developing a comprehensive aquatic invasive species management and rapid response plan for the entire Canal System. For information on our contractual habitat improvement projects, see the response to the Access and Benefit Sharing disclosure below. NYPA also executes voluntary habitat restoration projects to further support biodiversity. In 2024, Canals completed a large wetland enhancement project in the Montezuma wetlands to support wildlife and enhance water flows. A native pollinator garden and ecological educational exhibit were installed at NYPA’s Niagara Power Vista Visitors Center in 2023 and 2024 to offer free, educational programming on the value of biodiversity. Biodiversity management plans are available for Wilson Hill Wildlife Management Area. Additionally, a Round Goby Rapid Response plan was published to guide Canal’s management response to the invasive round goby. The Authority observes good offset practices in part through the Tree Power Program. Additional information can be found in “Sustainability Spotlight: Tree Power Program”.” NYPA partners with local stakeholder groups to provide biodiversity benefits for our stakeholders. In 2024, NYPA donated native trees to local community organizations in Buffalo; these organizations offer education and training on tree planting best practices and support the required maintenance of the trees. NYPA and Canals also partner with local invasive species management groups to raise awareness and train volunteers on invasive species management efforts.
101–3	Access and benefit-sharing		The process of relicensing NYPA hydroelectric facilities with FERC includes engagement with numerous external stakeholder groups and opportunities for public comment. NYPA’s FERC relicensing settlement agreements include requirements to provide, enhance and invest in recreation, economic development and ecotourism opportunities. NYPA’s visitors centers, located at our hydroelectric facilities, provide free, educational STEM programming for the public year-round. NYPA’s landholdings include public outdoor recreation spaces, including hiking trails, fishing platforms and boat launches.

GRI #	GRI Disclosure	Report Section	Additional Information
		GRI 101: Biodiversity	
101–4	Identification of biodiversity impacts		In 2024, NYPA completed its first Nature Impact Assessment, including a materiality screening to identify the residual impacts of our operations on nature.
101–5	Locations with biodiversity impacts		**NYPA fossil fuel plants (80 acres):** NYPA operates several fossil fuel-powered (natural gas and oil) generating facilities that are located near (<0.5 mi) municipal parks, which are protected from development. Neither the sites nor the adjacent parks are classified by the New York Natural Heritage Program as having high terrestrial biodiversity, significant ecological communities or matrix forest blocks. **St. Lawrence-FDR Power Project (29,755 acres):** NYPA's hydroelectric St. Lawrence-FDR Power Project has an abundance of wildlife habitat and provides critical ecosystem services such as natural carbon storage, biodiversity, flood mitigation and outdoor recreation. The site includes areas of high terrestrial biodiversity, significant ecological communities and matrix forest habitat, whose size, contiguous nature and condition allow for the maintenance of ecological processes. The site includes areas managed for ecological preservation (Wilson Hill Wildlife Management Area) and public outdoor recreation (e.g. Robert Moses State Park) and numerous other public parks, trails, boat launches and fishing access points. While the area has immense natural resource value, it is also classified by the federal Environmental Protection Agency as an Area of Concern due to the ecological degradation of shorelines. NYPA continues to implement habitat improvement projects required through its FERC relicensing contracts and to fund habitat conservation. Invasive species are common along the project's disturbed roadways and are managed through mowing and washing vehicles to prevent the spread of propagules. **Smart Path (St. Lawrence-FDR to Adirondack substation) (5,000 acres):** This section of NYPA's Transmission ROW intersects matrix forest blocks whose size and condition allow for the maintenance of ecological processes. This site also intersects state forest land and significant ecological communities. **Champlain Canal (4,166 acres):** This section of the New York State Canal System has recently been identified by the state Department of Environmental Conservation as a key area to mitigate the spread of aquatic invasive species. The Canal System overall connects many watersheds across the state, which can make it a vector of aquatic invasive species across watersheds. The spread of invasive species across watersheds could impact biodiversity across a spatial extent much greater than the system itself.
		GRI 201: Economic Performance 2016	
201–1	Direct Economic value generated and distributed		• Operating revenues: $3.4 billion • Operation and maintenance expenses excluding employee wages and benefits: $288 million • Employee wages and benefits: $483 million • Payments to providers of capital, based on interest on all forms of debt and borrowings: $151.3 million ($119 million in interest and $32.3 million in principal repayments) • Economic value retained: please refer to financial statements for consolidated net income and earnings before interest, depreciation and amortization (EBIDA): $623 million
201–2	Financial implications and other risks and opportunities due to climate change	Preserve Hydropower Revitalize the Canal System	

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 203: Indirect Economic Impacts 2016			
203–1	Infrastructure investments and services supported	Partners With Customer and the State Revitalize the Canal System	NYPA makes significant investments in the development of customer-sited solar and storage, decarbonization leadership, implementation of energy efficiency projects at customer facilities, design and installation of electric vehicle charging infrastructure at customer and public locations, and economic development programs. These efforts positively impact our stakeholders, community and climate by reducing energy consumption, greenhouse gas and other air emissions, creating green jobs and supporting community development. The Canal Corporation is making investments that will yield positive impacts for communities and local economies by promoting outdoor recreation and fishing, encouraging canal side living and expanding regional tourism. The new Brockport Pedestrian Bridge across the Erie Canal will be completed in the summer of 2025 and will provide an important recreation connection from the SUNY Brockport campus to the Erie Canalway Trail. A wetlands enhancement project in the Montezuma Wetlands Complex was completed at the end of 2024. Many of our capital projects are still in design, so it is too early to assess the community impact, but programs such as On the Canals, Public Fishing and Ice Breaking have made very positive impacts on Canals communities. Our fishing program has had five successful seasons and will continue into 2025. Our sixth season of On the Canals excursions to promote recreation and tourism along the Canals will also continue in 2025. Revitalize the Canals projects are all public benefit projects for which we are not receiving any revenue.
GRI 204: Procurement Practices 2016			
204–1	Proportion of spending on local suppliers	Supporting Local Suppliers and Building a Diverse and Resilient Supply Chain	Local is defined as New York State. Our significant locations of operation are all within New York State. Proportion of spending on local suppliers as percentage of total procurement budget: 43%
GRI 302: Energy 2016			
302–1	Energy consumption within the organization		• Fuel consumption from non-renewable sources (fossil fuels, nuclear, etc.): 35,386 MMBTu • Fuel consumption from renewable sources: not available • Annual electricity utilization for NYPA and Canals facilities (all building stock) excluding self-generated electricity: not available • Total energy consumption (including fossil fuel consumption plus electricity utilization, not including self-generated electricity): 10,713,143 MMBTu • For all data, if metered data is not present, an industry-accepted standard, Commercial Building Energy Consumption Survey is used.
302–3	Energy Intensity		Energy intensity ratio measured as total energy consumed MMBTU per total Net MWh generated: 0.015
302–4	Reduction of energy consumption	Decarbonizing NYPA's Buildings and Vehicle Fleet	NYPA tracks reductions in energy consumption achieved through energy efficiency initiatives as part of the BuildSmart 2025 program. Under this program, NYPA has an overall energy savings target of 0.12 Tbtu from a FY14–15 baseline by 2025. Energy reductions are calculated at the project level, typically supported by an American Society of Heating, Refrigerating, and Air-Conditioning Engineers analysis. At of the end of 2024 NYPA has implemented projects (to at least "Substantial Progress" as defined by the BuildSmart 2025 Program Guidelines) to achieve a 0.1088 Tbtu reduction towards the overall goal. Additionally, NYPA has been finalizing a Clean Energy Master Plan, a living document that recommends and tracks energy conservation measures across NYPA's and Canals' building portfolio toward meeting the BuildSmart 2025 energy reduction goal.

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 303: Water and Effluents 2018			
303–1	Interactions with water as a shared resource	Preserve Hydropower	With respect to the hydroelectric generating facilities, each power project utilizes a certain amount of water to generate power for users statewide. The project is required to meet state standards, regulated by the state Department of Environmental Conservation, through the issuance of a 401 Water Quality Certificate that verifies compliance with state water quality requirements. At most of our hydropower facilities, water passes through the project via an intake structure, flows through the project and returns to the river once utilized to generate power. Additionally, our fossil fuel plants utilize water for cooling that is returned to the environment through evaporation in cooling towers. These systems also discharge back into the environment by blowdowns which are monitored and regulated by State Pollution Discharge Elimination System Permits (SPDES). In cases where these discharges are to Publicly Owned Treatment Works, those blowdowns are monitored and regulated by New York City Department of Environmental Protection commissioners' orders. Water withdrawal and consumption is reported annually in accordance with New York State water withdrawal regulations. Annual reviews are conducted of SPDES permit-required Best Management Plans (BMPs). These BMP Plans must be updated to address any permit exceedances or upsets. Discharge Monitoring Reports are filed monthly for locations with SPDES permits. These reports include pollutant concentrations, mass loading and flows for each regulated outfall as needed and specified. An internal environmental performance report is issued monthly by NYPA's Environmental, Health & Safety Department. Goals have been established for environmental incidents for all regions and activities. An environmental performance report is issued monthly. This report includes water-related metrics for water quality as it pertains to permit parameters. The target for each region and activity is reviewed and approved on an annual basis. In 2024, NYPA completed a nature impact assessment to identify the key nature-related priorities impacting its operations. Flood protection and water quality was identified as a key priority due to the reliance of hydroelectricity generation on predictable supplies of clean water, the location of some operating regions in areas of steep terrain with erosion risk and the reliance of clean water for canals operations. This topic is being incorporated into objectives for key projects and in work prioritization. NYPA funds research through its participation in Electric Power Research Institute (EPRI) programs. The review of the participation in programs and approval of supplemental studies is conducted by the NYPA EPRI steering committee, composed of senior leadership which includes the head of research and development. Members of NYPA staff advise EPRI on water-related topics of concern for further research. NYPA recently approved an EPRI supplemental project on an emerging water contaminate perfluorooctane sulfonate. This study will evaluate environmental persistence and transport, sampling and monitoring methods. NYPA also acknowledges that water poses a risk to our operations, especially in the context of climate change. Our power generation is reliant on the flow of water. Although river flows in our watershed are generally expected to increase over time, we are undertaking adaptation studies and planning for various scenarios in addition to our modernization and standard schedules.
303–3	Water withdrawal	Performance Data	
303–5	Water consumption	Performance Data	

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 305: Emissions 2016			
305–1	Direct (Scope 1) GHG emissions	Decarbonize Electricity Generation Performance Data	The Authority's base year for Scope 1 GHG emissions is 2023. 2023 Scope 1 emissions were 1,795,235 MT CO_2e, 20-year GWP and 1,797,507 MT CO_2e, 100-year GWP.
305–2	Energy indirect (Scope 2) GHG emissions	Decarbonize Electricity Generation Performance Data	The Authority's base year for Scope 2 GHG emissions is 2023. 2023 Scope 2 (market-based) emissions were 39,063 MT CO_2e, 20-year GWP and 38,974 MT CO_2e, 100-year GWP.
305–3	Other indirect (Scope 3) GHG emissions	Decarbonize Electricity Generation Performance Data	The Authority's base year for Scope 3, categories 3 (upstream fuel- and energy-related activities), 6 (business travel) and 7 (employee commuting) GHG emissions is 2023 and for Scope 3 categories 1 (purchased goods and services) and 2 (capital goods) is 2024. **2023 Base Year** **Category** / **20-year GWP** / **100-year GWP** Scope 3 category 3 (upstream fuel- and energy-related activities) / 6,839,130 MT CO_2e / 5,428,374 MT CO_2e Scope 3 category 6 (business travel) / 782 MT CO_2e / 805 MT CO_2e Scope 3 category 7 (employee commuting) / 5,555 MT CO_2e / 5,545 MT CO_2e **2024 Base Year** **Category** / **20-year GWP** / **100-year GWP** Scope 3 category 1 (purchased goods and services) / 35,426 MT CO_2e / 28,564 MT CO_2e Scope 3 category 2 (capital goods) / 132,199 MT CO_2e / 105,274 MT CO_2e
305–4	GHG emissions intensity	Decarbonize Electricity Generation Performance Data	
305–7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Performance Data	
GRI 306: Waste 2020			
306–3	Waste generated	Performance Data	
306–4	Waste diverted from disposal	Performance Data	
306–5	Waste directed to disposal	Performance Data	

GRI #	GRI Disclosure	Report Section	Additional Information
GRI 308: Supplier Environmental Assessment 2016			
308–1	New suppliers that were screened using environmental criteria	Supporting Local Suppliers and Building a Diverse and Resilient Supply Chain	
GRI 403: Occupational Health & Safety 2018			
403–6	Promotion of Worker Health	Supporting Our People and Communities	
403–9	Work-related injuries	Performance Data	
GRI 404: Training and Education 2016			
404–1	Average hours of training per year per employee	Performance Data	
404–3	Percentage of employees receiving regular performance and career development reviews	Performance Data	
GRI 405: Diversity and Equal Opportunity 2016			
405–1	Diversity of governance bodies and employees	Governance Performance Data	
GRI 408: Customer Privacy 2016			
418–1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		NYPA has had no material cyber security incidents observed. NYPA continuously monitors the maturity and performance of the cyber security program with a range of assessments and metrics including an annual, external, independent assessment against the NIST Cyber Security Framework (CSF) 2.0 and the BitSight Cybersecurity score. In the most recent BitSight assessment, NYPA and Canals averaged 760 out of 900, which is an advanced security rating indicating a strong security performance and lower security risk.

SASB Content Index

Electric Utilities & Power Generators

Table 1. Disclosures and Accounting Metrics

Topic	Metric	Category	Response	Code
Greenhouse Gas Emissions & Energy Resource Planning	1. Gross global Scope 1 emissions, percentage covered under 2. emissions-limiting regulations and 3. emissions-reporting regulations	Quantitative	1. Performance Data* 2. GWP-20: 99.2%; GWP-100: 99.1% 3. GWP-20: 99.2%; GWP-100: 99.1% % as per the Greenhouse gas Protocol New York participates in the Regional Greenhouse Gas Initiative (RGGI), the first mandatory market-based program in the United States to reduce greenhouse gas emissions. All of NYPA's Southeast New York generating facilities are subject to RGGI.	IF-EU-110a.1
	Greenhouse gas emissions associated with power deliveries	Quantitative	GWP-20: 6,525,948 MT CO_2e GWP-100: 6,514,194 MT CO_2e This is the sum of emissions directly associated with NYPA-owned power generation, power contractually purchased from Astoria Energy II for customers, wholesale market purchases, transmission line losses and upstream emissions from fossil fuel. NYPA does not deliver this power to retail customers.	IF-EU-110a.2
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	Discussion and Analysis	Decarbonize Electricity Generation	IF-EU-110a.3
	1. Number of customers served in markets subject to renewable portfolio standards (RPS) and 2. percentage fulfillment of RPS target by market	Quantitative	Not applicable. New York State does not have a Renewable Portfolio Standard. It does have a Clean Energy Standard issued by the Public Service Commission, but NYPA is not subject to the jurisdiction of the commission.	IF-EU-110a.4
Air Quality	Air emissions of the following pollutants: 1. NOx (excluding N_2O), 2. SOx, 3. particulate matter (PM10), 4. lead (Pb), and 5. mercury (Hg); percentage of each in or near areas of dense population	Quantitative	1. Performance Data 2. Performance Data 3. Performance Data 4. Not applicable 5. Not applicable NYPA does not own or have specified coal generation contracts. Percentage of each applicable pollutant's air emissions in or near areas of dense population: 100%	IF-EU-120a.1

Topic	Metric	Category	Response	Code
Water Management	1. Total water withdrawn, 2. total water consumed, percentage of each in regions with high or extremely high baseline water stress	Quantitative	Performance Data	IF-EU-140a.1
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards and regulations	Quantitative	In 2024, NYPA had one incident of non-compliance that resulted in a formal enforcement action involving electronic reporting of Discharge Monitoring Reports which was administratively resolved. Four separate incidents of non-compliance for parameters monitored under facility State Pollutant Discharge Elimination System permits did not result in formal enforcement action. Canals had two incidents of permit non-compliance related to dredging in 2024. One incident was an upland disposal site (UDS) outfall discharge monitoring exceedance and one incident was a UDS embankment failure that resulted in sediment discharge to a regulated waterway.	IF-EU-140a.2
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	See indicator GRI 303-1, and Preserve Hydropower	IF-EU-140a.3
Coal Ash Management	Amount of coal combustion residuals (CCR) generated; percentage recycled	Quantitative	Not applicable. NYPA does not own or have specified coal generation contracts.	IF-EU-150a.1
	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Quantitative	Not applicable. NYPA does not own or have specified coal generation contracts.	IF-EU-150a.2
Energy Affordability	Average retail electric rate for 1. residential, 2. commercial and 3. industrial customers	Quantitative	Performance Data	IF-EU-240a.1
	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	Quantitative	Not applicable. NYPA does not directly serve residential customers.	IF-EU-240a.2
	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Quantitative	Not applicable. NYPA does not directly serve residential customers.	IF-EU-240a.3
	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Discussion and Analysis	Performance Data	IF-EU-240a.4

Topic	Metric	Category	Response	Code
Workforce Health & Safety	1. Total recordable incident rate (TRIR), 2. fatality rate and 3. near miss frequency rate (NMFR)	Quantitative	Performance Data	IF-EU-320a.1
End-Use Efficiency & Demand	Percentage of electric utility revenues from rate structures that 1. are decoupled and 2. contain a lost revenue adjustment mechanism (LRAM)	Quantitative	Not applicable. NYPA does not have a decoupled rate structure.	IF-EU-420a.1
	Percentage of electric load served by smart grid technology	Quantitative	As a generation and transmission entity, NYPA installs smart grid technology to support integration of distributed generation and increase generation and transmission efficiency across the transmission system—not tied to specific loads.	IF-EU-420a.2
	Customer electricity savings from efficiency measures, by market	Quantitative	2022: 15,710 MWh 2023: 40,360 MWh 2024: 42,906 MWh Represents projects managed by NYPA on behalf of customers. The values represent projected electricity savings based upon industry standards for measures implemented.	IF-EU-420a.3
Nuclear Safety & Emergency Management	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Quantitative	Not applicable. NYPA does not own or operate nuclear power generation.	IF-EU-540a.1
	Description of efforts to manage nuclear safety and emergency preparedness	Discussion and Analysis	Not applicable. NYPA does not own or operate nuclear power generation. NYPA does have an Emergency Management program for NYPA assets such as our hydroelectric facilities and dams.	IF-EU-540a.2
Grid Resiliency	Number of incidents of non-compliance with physical and/or cyber security standards or regulations	Quantitative	Due to FERC restrictions, this information cannot be released.	IF-EU-550a.1
	1. System Average Interruption Duration Index (SAIDI), 2. System Average Interruption Frequency Index (SAIFI), and 3. Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Quantitative	Not applicable; NYPA does not provide.	IF-EU-550a.2
	Number of: 1. residential, 2. commercial and 3. industrial customers served	Quantitative	1. NYPA does not directly serve residential customers. 2., 3. NYPA has 1,136 customers, including governmental agencies, municipal/rural electric cooperatives, businesses, neighboring states and investor-owned utilities.	IF-EU-000.A

Topic	Metric	Category	Response	Code
Grid Resiliency	Total electricity delivered to: 1. residential 2. commercial 3. industrial 4. all other retail customers 5. wholesale customers	Quantitative	1. Not applicable. NYPA does not directly serve residential customers. 2., 3. Direct Sales to Commercial and Industrial Customers (includes sales to 789 companies and not-for-profit organizations): 8,090,000 MWh 4. Sales to Municipal Electric Systems, Rural Electric Cooperatives, and Other Public Customers (includes sales to 51 municipal electric utility systems, four rural electric cooperative systems and more than 100 public agencies in New York State, seven neighboring states and nine host communities): 16,102,000 MWh Sales to Utilities and the New York Independent System Operator (NYSISO) for Resale (includes sales to the five investor-owned utilities in NYS, the Long Island Power Authority and the NYSISO. Portions were designated for resale to residential and farm customers or to business and not-for profit customers in the state.): 15,985,000 MWh Total electricity sold across above categories: 40,177,000 MWh	IF-EU-000.B
	Length of transmission and distribution lines	Quantitative	Transmission lines: 1,550.4 circuit-miles Distribution lines: Not applicable. NYPA is a generation and transmission owner only.	IF-EU-000.C
	Total electricity generated, percentage by major energy source, percentage in regulated markets	Quantitative	2024 Net Generation: 27,414,161 MWh Hydropower: 83% Fossil: 17% Includes Blenheim-Gilboa pumped storage facility at net generation. Gross generation was 354,605 MWh	IF-EU-000.D
	Total wholesale electricity purchased	Quantitative	Total purchases, excluding electricity consumed at generating facilities: 8,423,000 MWh	IF-EU-000.E

07 FINANCIAL STATEMENTS

NEW YORK STATE | NY Power Authority | Canal Corporation

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Financial Report

December 31, 2024 and 2023

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities and the fiduciary activities of the Power Authority of the State of New York (the Authority), a component unit of the State of New York, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements for the years then ended as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the fiduciary activities of the Authority, as of December 31, 2024 and 2023, and the changes in financial position and, where applicable, cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a

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substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2025 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

KPMG LLP

Philadelphia, Pennsylvania
March 27, 2025

March 27, 2025

Management Report (Unaudited)

Management is responsible for the preparation, integrity, and objectivity of the consolidated financial statements of the Authority, as well as all other information contained in the Annual Report. The consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") and, in some cases, reflect amounts based on the best estimates and judgments of management, giving due consideration to materiality. Financial information contained in the Annual Report is consistent with the financial statements.

The Authority maintains a system of internal controls to provide reasonable assurance that transactions are executed in accordance with management's authorization, that financial statements are prepared in accordance with U.S. generally accepted accounting principles, and that the assets of the Authority are properly safeguarded. The system of internal controls is documented, evaluated, and tested on a continuing basis. No internal control system can provide absolute assurance that errors and irregularities will not occur due to the inherent limitations of the effectiveness of internal controls; however, management strives to maintain a balance, recognizing that the cost of such a system should not exceed the benefits derived.

The Authority maintains an internal auditing program to independently assess the effectiveness of internal controls and to report findings and recommend possible improvements to management. This program includes a comprehensive assessment of internal controls to ensure that the system is functioning as intended. Additionally, as part of its audit of the Authority's consolidated financial statements, KPMG LLP, the Authority's independent auditors, considers internal controls over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal controls over financial reporting. Management has considered the recommendations of its internal auditors, the Office of the State Comptroller ("OSC"), and the independent auditors concerning the system of internal controls and has taken actions that it believed to be cost-effective in the circumstances to respond appropriately to these recommendations. Based on its structure and related processes, management believes that, as of December 31, 2024 and 2023, the Authority's system of internal controls provides reasonable assurance related to material items, as to the integrity and reliability of the financial statements, the protection of assets from unauthorized use or disposition and the prevention and detection of fraudulent financial reporting.

The members of the Authority's Board of Trustees (the "Authority's Trustees") are appointed by the Governor, by and with the advice and consent of the Senate. The Authority's Trustees' Audit Committee meets with the Authority's management, its Senior Vice President of Internal Audit, and its independent auditors periodically, throughout the year, to discuss internal controls and accounting matters, the Authority's financial statements, the scope and results of the audit by the independent auditors and the periodic audits by the OSC, and the audit programs of the Authority's internal auditing department. The independent auditors and the Senior Vice President of Internal Audit have direct access to the Audit Committee.

Executive Vice President and Chief Financial Officer

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

December 31, 2024 and 2023

(Unaudited)

Management's Discussion and Analysis (Unaudited)

Overview of the Consolidated Financial Statements

The Power Authority of the State of New York (”NYPA”) is considered a special-purpose government entity engaged in business-type activities. Effective January 1, 2017, the New York State Canal Corporation (“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. In May 2023, NYPA Captive Insurance Company (“Captive”) was established as a wholly owned subsidiary of NYPA. In November 2024, New York Renewable Energy Development Holdings Corporation (“NYREDHC”) was established as a wholly owned subsidiary of NYPA to pursue projects under the Expanded Authority (defined in “Expanded Authority” section in MD&A). Refer to Note 18 of notes to the consolidated financial statements for more information on NYREDHC. NYPA and its subsidiaries, the Canal Corporation, the Captive and NYREDHC are referred to collectively as the “Authority” in the consolidated financial statements, except where noted. NYPA and its subsidiaries follow financial reporting for enterprise funds. The consolidated financial statements of the Authority are prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) as prescribed by the Governmental Accounting Standards Board (“GASB”). Under the criteria outlined in GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units,* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus--an amendment of GASB Statements No. 14 and No. 34*, the Authority considers its relationship to New York State (the “State”) to be that of a related component unit.

This consolidated report consists of three parts: Management's discussion and analysis (“MD&A”), the consolidated financial statements, and the notes to the Consolidated Financial Statements. Following the consolidated report is the Authority's Required Supplementary Information.

Management's discussion and analysis provide an overview of the Authority's financial information for the year ended December 31, 2024, with comparative information as of and for the year ended December 31, 2023 and 2022. GASB Statements No. 99, 100, and 101 were evaluated and adopted in 2024, and have been reflected in the financial statements as applicable.

The consolidated financial statements provide summary information about the Authority's overall financial condition. The notes provide an explanation and more details about the contents of the consolidated financial statements. The required supplementary information includes unaudited information required by GASB related to the Authority's other post-employment benefits other than pension (“OPEB”) and pension plans and standalone financial disclosures for NYPA including Canal Corporation, SFP (Refer to section SFP in MD&A), Captive and NYREDHC.

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

December 31, 2024 and 2023

(Unaudited)

Governance

The governing board of NYPA consists of seven Trustees (the "Board of Trustees") appointed by the Governor of the State (the "Governor"), with the advice and consent of the State Senate. A Trustee whose term has expired continues to serve on a holdover basis until confirmed for an additional term or a new Trustee is appointed and confirmed. As stated in Section 2824 under Title 2 of Article 9 of the Public Authorities Law, Trustees shall perform their fiduciary duties, including but not limited to those imposed by such section, in good faith and with that degree of diligence, care and skill which an ordinarily prudent person in like position would use under similar circumstances, and may take into consideration the views and policies of any elected official or body, or other person and ultimately apply independent judgment in the best interest of the Authority, its mission and the public.

The members of NYPA Board of Trustees also serve as board members of Canal Corporation, Captive and NYREDHC with the addition of NYPA's CEO and CFO serving ex-officio on the NYREDHC Board. Trustee members cannot be removed except for cause and their terms are as follows:

Trustee Member	Term Expiration
Chair, John Koelmel	5/6/21
Trustee, Michael J. Cusick	5/6/25
Trustee, Bethaida González	5/6/24
Trustee, Cecily L. Morris	6/22/27
Trustee, Dennis G. Trainor	5/6/22
Trustee, Lewis M. Warren, Jr.	5/6/28
Trustee, Laurie Wheelock	6/22/28

Forward-Looking Statements

The statements in MD&A, that are not historical facts, are forward-looking based on current expectations of future events. Forward-looking statements are based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, possible invalidity of the underlying assumptions and estimates and possible changes to or development in various important factors. Accordingly, actual results may vary from those we presently expect, and such variations may be material. We therefore caution against placing undue reliance on the forward-looking statements contained in the MD&A. All forward-looking statements included in the MD&A are made only as of the date of the MD&A and we assume no obligation to update any such forward-looking statements as a result of new information, future events, or other factors.

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

December 31, 2024 and 2023

(Unaudited)

Summary of Consolidated Revenues, Expenses and Changes in Net Position

The following is a summary of the Authority's consolidated financial information for 2024, 2023 and 2022:

	2024	2023	2022	2024 vs. 2023 favorable (unfavorable)	2023 vs. 2022 favorable (unfavorable)
		($ In millions)		($ in millions)	
Operating revenues	$3,436	$3,034	$4,007	$402	($973)
Operating expenses:					
Purchased power	678	605	839	(73)	234
Fuel oil and gas	214	176	470	(38)	294
Transportation and delivery	1,174	1,107	1,304	(67)	197
Operations and maintenance	771	723	756	(48)	33
Depreciation and amortization	353	307	411	(46)	104
Total operating expenses	3,190	2,918	3,780	(272)	862
Operating income	246	116	227	130	(111)
Nonoperating revenues and gains	85	94	(11)	(9)	105
Nonoperating expenses	172	80	86	(92)	6
Total nonoperating income (expense)	(87)	14	(97)	(101)	111
Net income and change in net position	159	130	130	29	-
Net position - beginning	5,075	4,945	4,815		
Net position - ending	$5,234	$5,075	$4,945		

In April 2022, NYPA issued $608 million of Green Transmission Project Revenue Bonds, Series 2022A (the "2022A Bonds") to fund the Smart Path and Central East Energy Connect ("CEEC") transmission construction projects. In November 2023, NYPA issued $734 million of Green Transmission Project Revenue Bonds, Series 2023A to fund the Smart Path Connect ("SPC") Project (the "2023A Bonds", together with the "2022A Bonds", are referred to as "Transmission Resolution Revenue Bonds"). Proceeds of the bonds are being used to fund capital and other expenditures, including reimbursing expenses related to Transmission Resolution Revenue Bond project costs; and to pay financing and other costs relating to the issuance of the Transmission Resolution Revenue Bonds.

Transmission Resolution Revenue Bonds are secured and payable separate and apart from NYPA's General Bond Resolution (Refer to Note 5 of notes to the consolidated financial statements for more information on Bond Resolutions and Related Matters). The CEEC, Smart Path, and SPC Projects are collectively referred to as "Separately Financed Projects" or "SFP".

In October 2024, the Authority issued $450 million in Revenue Bonds, Series 2024 A (Green Bonds) ("2024 A Bonds"), marking its second green bond issuance under the General Bond Resolution. These bonds are referred to as Green Bonds as the proceeds are intended to be used to support environmentally beneficial projects. This issuance underscores the Authority's commitment to strong governance practices by supporting its capital plan, maintaining asset integrity, and investing in infrastructure projects. The Authority entered the market with positive momentum, bolstered by two ratings upgrades and attracted significant investor interest. 2024 A Bonds achieved one of the lowest All-In True Interest Costs compared to other bond transactions priced in the same time frame.

Consolidated Financial Statements, as presented above, represent the Authority's consolidated results. Financial information relating to the SFP, Captive and NYREDHC has been disclosed separately in relevant notes to the Consolidated Financial Statements and such notes should be read together with other financial information disclosed in the notes. Refer to section SFP in MD&A and Notes 2, 3, 17 and 18 in Notes to the Consolidated Financial Statements and Required Supplementary Information for detailed disclosures on SFP, Captive and NYREDHC. For the year ended 2024, financial information relating to the SFP shows operating revenue of $192 million and net income of $107 million. For the year ended 2024, Captive had operating revenue of $7 million and net income of $11 million. NYREDHC had no revenue and net income in 2024 (refer note 18 in Notes to the Consolidated Financial Statements). Refer to Required Supplementary Information for detailed Financials.

The Authority had a net income and change in net position of $159 million for the year ended December 31, 2024, compared to $130 million net income in 2023, resulting in a $29 million increase year over year. Operating income increased by $130 million due to higher prices on market-based sales of energy and capacity. Operating expenses were $272 million higher, primarily due to the $111 million increase in purchased power and fuel and oil and gas costs related to higher prices. The transportation and delivery expenses were $67 million higher primarily due to higher prices. Depreciation and amortization expenses were $46 million higher due to an increase in assets placed into service during the year.

The Authority had a net income and change in net position of $130 million for the year ended December 31, 2023, compared to $130 million net income in 2022, remaining unchanged year over year. Operating income decreased by $111 million due to lower prices on market-based sales of energy and capacity. Operating expenses were $862 million lower, primarily due to the $528 million decrease in purchased power and fuel and oil and gas costs related to lower prices. The transportation and delivery expenses were $197 million lower primarily due to lower prices. Depreciation and amortization expenses were $104 million lower as the arrangement with Astoria Energy II ("AEII") (Refer Note 15 of notes to the consolidated financial statements for more information on AEII) no longer met the definition of a lease with the adoption of GASB Statement No. 87("GASB No. 87") in 2022.

Operating Revenues

Operating revenues were $402 million higher in 2024 vs 2023, primarily due to higher market energy prices, and higher capacity prices.

Operating revenues were $973 million lower in 2023 vs 2022, primarily due to lower market energy prices, and lower pass-through transmission revenues partially offset by higher hydro production.

Purchased Power and Fuel and Oil and Gas

Purchased power and fuel/oil/gas costs increased by $73 million and $38 million, respectively in 2024 vs 2023. The increase was primarily due to higher pricing throughout the year.

Purchased power and fuel/oil/gas costs decreased by $234 million and $294 million, respectively in 2023 vs 2022. The decrease was primarily due to lower fuel costs resulting from lower gas prices partially offset by higher volumes.

Operations and Maintenance (O&M)

O&M expenses increased by $48 million in 2024 vs 2023, primarily driven by higher Compensated Absences due to the adoption of a new accounting standard (GASB Statement No. 101) $24 million and the balance due to increase in repairs and maintenance.

O&M expenses decreased by $33 million in 2023 vs 2022 primarily driven by lower employee benefit cost.

Nonoperating Revenues, Gains and (Losses)

Nonoperating revenues decreased by $9 million in 2024 vs 2023 primarily due to a decrease in the market value of the investment portfolio resulting in unrealized mark to market losses.

Nonoperating revenues increased by $105 million in 2023 vs 2022 primarily due to higher investment income and an increase in the market value of the investment portfolio.

Nonoperating Expenses

Nonoperating expenses increased by $92 million, 2024 vs 2023, primarily due to the expense related to the settlement of the St. Regis Litigation of $26 million (Refer to Note 19 (d) of notes), full year impact of interest expense of $32 million on 2023A Bonds and provision related to workforce training initiatives pursuant to NYPA's Expanded Authority, $21 million per Memorandum of Understanding between NYPA and the Department of New York State Labor.

Nonoperating expenses decreased by $6 million in 2023 vs 2022 primarily due to the Astoria Energy II ("AEII") arrangement not meeting the definition of a lease per GASB No. 87 adopted in 2022.

EBIDA

Reconciliation of Net Income to EBIDA

	2024	2023	2022
		($ In millions)	
Net Income	$ 159	$ 130	$ 130
Add:			
Interest (w/o AEII)	111	80	57
Interest (AEII)	-	-	29
Depreciation & amortization (w/o AEII)	353	307	257
Depreciation & amortization (AEII)	-	-	154
EBIDA (w/ AEII)	$ 623	$ 517	$ 627
EBIDA (w/o AEII)	$ 623	$ 517	$ 444

Note: AEII represents the arrangement with Astoria Energy II (Refer Note 15 of notes to the consolidated financial statements).

EBIDA represents net income before interest expense, depreciation, and amortization and is a non-U.S. GAAP financial measure. EBIDA does not represent net income, as that term is defined under U.S. GAAP and should not be considered as an alternative to net income as an indicator of the Authority's operating performance or any other measure of performance derived in accordance with U.S. GAAP. EBIDA is not intended to be a measure of cash flows, as depicted on the statement of cash flows, available for management or discretionary use as such measures do not consider certain cash requirements such as capital expenditures and debt service requirements.

In 2022, with the adoption of GASB No. 87, the arrangement with Astoria Energy II ("AEII") no longer met the definition of a lease under the accounting rule. Year over year EBIDA without AEII impact increased from $444 million to $517 million in 2023 and $623 million in 2024.

Net Generation

Authority's generation and power purchases for 2024 was 40.6 million megawatt-hours ("MWhs") with corresponding revenues from power and energy sales of $3.4 billion (this includes power sales, transmission, transportation & delivery charges, excludes non-utility revenue of $57 million). For 2023, on a comparative basis, it was 39.8 million MWhs with revenue of $2.9 billion (this includes power sales, transmission, transportation & delivery charges, excludes non-utility revenue of $41 million).

Authority's own generation was 27.4 million MWhs in 2024 and 26.9 million MWhs in 2023. Net generation from the Niagara and St. Lawrence hydroelectric plants in 2024 (22.7 million MWhs) was 0.22% higher than in 2023 (22.6 million MWhs) due to the marginally increased hydro flows to the Niagara and St. Lawrence hydroelectric plants. Net hydro generation for 2024 and 2023 were both approximately 106% of the 30-year average of 21.4 million MWhs. The combined net generation of fossil fuel plants for 2024 was 4.8 million MWhs, or 11% higher than in 2023 (4.3 million MWhs).

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

December 31, 2024 and 2023

(Unaudited)

Summary of Consolidated Statements of Net Position

The following is a summary of the Authority's consolidated statements of net position for 2024, 2023 and 2022:

	2024	2023	2022	2024 vs. 2023	2023 vs. 2022
		($ In millions)		($ In millions)	
Current assets	$2,703	$2,549	$2,223	$154	$326
Capital assets	7,298	6,908	6,413	390	495
Other noncurrent assets	1,099	896	962	203	(66)
Deferred outflows of resources	247	327	477	(80)	(150)
Total assets and deferred outflows	11,347	10,680	10,075	667	605
Current liabilities	1,315	1,105	1,091	210	14
Noncurrent liabilities	4,010	3,770	2,975	240	795
Total liabilities	5,325	4,875	4,066	450	809
Deferred inflows of resources	788	730	1,064	58	(334)
Net investment in capital assets	3,463	3,361	3,486	102	(125)
Restricted	453	321	87	132	234
Unrestricted	1,318	1,393	1,372	(75)	21
Net position	5,234	5,075	4,945		
Total liabilities, deferred inflows and net position	$11,347	$10,680	$10,075	$667	$605

Investments and Net Position for 2023 and 2022 have been reclassified to align with the 2024 presentation (Refer to Note 4(q) of notes to the consolidated financial statements for more information on reclassification).

The following summarizes the Authority's consolidated statements of net position variances for the year 2024 and 2023:

In 2024, current assets increased by $154 million to $2,703 million due to an increase in customers receivables from increase in revenue. Capital assets increased by $390 million to $7,298 million, compared to last year, due to increased spending on transmission capital projects. Other noncurrent assets increased by $203 million, primarily due to an increase in the other post-employment benefits other than pension ("OPEB") assets and an increase to regulatory assets for Allowance for Funds Used During Construction ("AFUDC"). Deferred outflows decreased by $80 million primarily due to changes in the deferral of OPEB, as well as the decrease in the outflow of accumulated hedging derivatives. Current liabilities increased by $210 million primarily due to the issuance of commercial paper. Other noncurrent liabilities increased by $240 million primarily due to the increase in long-term debt of $450 million due to the issuance of 2024 A Bonds at a premium of $62 million offset by the defeasance of prior debt, $260 million and principal payments of $32 million. Deferred inflows of resources increased by $58 million primarily due to an increase in pension valuation.

The following summarizes the net position variances for the year 2023 and 2022:

In 2023, current assets increased by $326 million to $2,549 million due to an increase in cash and cash equivalents and investment in securities related to the 2023A Bonds issuance. Capital assets increased by $495 million to $6,908 million, compared to 2022, due to increased spending on transmission capital projects. Other noncurrent assets decreased by $66 million, primarily due to a decrease in the pension assets resulting from lower investment market performance. Deferred outflows decreased by $150 million primarily due to changes in the deferral of other post-employment benefits other than pension (OPEB"), as well as the decrease in the outflow of accumulated hedging derivatives. Current liabilities increased by $14 million primarily due to the increase of long-term debt due within one year $31 million, partially offset by lower accruals for economic development programs, $25 million and other miscellaneous liabilities. Other noncurrent liabilities increased by $795 million primarily due to the increase in long-term debt of $751 million due to the issuance of 2023A Bonds (NYPA issued $734 million of 2023A bonds at a premium). Deferred inflows of resources decreased by $334 million primarily due to $224 million and $70 million of pension and OPEB valuation, respectively, and the balance due to a decrease in deferred transmission congestion contract ("TCC") auction revenues, $64 million, partially offset by an increase in the cost of removal obligations, $34 million.

Capital Assets

The Authority estimates that it will expend approximately $5.3 billion ($3.9 billion for various capital improvements, which include $699 million for renewables development, $316 million to Revitalize the Canals with a primary focus on maintaining and improving Canal infrastructure), and $1.4 billion for Energy Efficiency Services projects with a primary objective of helping the State to reduce its energy consumption and cut energy costs over the four-year period of 2025-2028. The Authority anticipates that these expenditures will be funded using existing construction funds, internally generated funds, separately financed project bond issuances, and additional borrowings. Any additional borrowings are expected to be accomplished through the issuance of commercial paper notes and/or the issuance of long-term debt.

The Authority's capital plan includes $1.4 billion in financing for Energy Efficiency Services projects to be undertaken by the Authority's governmental customers and other public entities in the State which amount will be reimbursed subsequently back to the Authority. All capital expenditures are subject to evaluation and approval of the Authority's Trustees.

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(Unaudited)

Projected capital requirements during 2025-2028 (in millions):

Renewables Development	$699
Transmission Business Development	590
Propel NY Energy	316
Revitalize the Canals*	316
White Plains Office Building Facilities	280
IT Programs (Application, Core, Cyber, Data, Other Key Projects)	260
Stewart Avenue - Uniondale Hub Substation Upgrade	241
Key Transmission Projects	164
SFP Related Projects**	140
Next Generation Niagara	137
Transmission Life Extension and Modernization (T-LEM)	99
Niagara and St. Lawrence Crane Replacement Program	75
Project Luminate (Enterprise Resource Planning - ERP)	68
JW Massena Canal Dam	43
Strategic EV Charging Station Installations	42
All Other	467
	$3,937

* A portion of total amount is contingent upon receiving outside grants/funding.
**Separately Financed Projects - Refer to section on SFP under MD&A and Note 3 in Notes to Consolidated Financial Statements.
See Note 20 in Notes to Consolidated Financial Statements, Other Developments, for details on certain projects listed above.

The above expenditure excludes $1.4 billion for Energy Efficiency Services projects over 2025-2028.

More detailed information about the Authority's capital assets is presented in Note 4(d) "Summary of Significant Accounting Policies – Capital Assets", Note 7 "Capital Assets" and Note 20 "Other Developments" of the Notes to the Consolidated Financial Statements.

Long-Term Debt Activity

Capital Structure

	2024	2023	2022
		($ In Millions)	
Long-term debt, net of current maturities			
General Resolution:			
Senior:			
Revenue bonds	$ 1,805	$ 1,519	$ 1,624
Subordinated:			
Subordinated Notes, Series 2017 and 2012	-	35	36
Separate Revenue Bond Obligation:			
Transmission Resolution Revenue Bonds (1)	1,367	1,391	659
Total long-term debt, net of current maturities	3,172	2,945	2,319
Net Position	5,234	5,075	4,945
Total capitalization	$ 8,406	$ 8,020	$ 7,264
Long-term debt to equity ratio	0.61	0.58	0.47
Long-term debt to equity ratio (excluding Transmission Resolution Revenue Bonds)	0.37	0.32	0.34

(1) The Transmission Resolution Revenue Bonds are limited obligations of NYPA payable solely from and secured by the trust estate pledged under the Transmission Bond Resolution. See Note 3 of the Notes to the Consolidated Financial Statements.

To maintain the weighted average cost of capital formula rate, as approved by the Federal Energy Regulatory Commission ("FERC") in a 2016 rate filing, long-term debt cannot exceed equity. Long-term debt to equity (long-term debt/net position) ratio was at 0.61-to-1 as of December 31, 2024 (Long-term debt $3.17 billion and equity $5.23 billion) vs. 0.58-to-1 as of December 31, 2023 (Long-term debt $2.94 billion and equity $5.07 billion).

Under the General Bond Resolution, long-term debt to equity (long-term debt/net position) ratio as of December 31, 2024, and 2023, was at 0.37-to-1 (Long-term debt $1.81 billion and equity $4.91 billion) and at 0.32-to-1 (Long-term debt $1.55 billion and equity $4.86 billion), respectively. $438 million, consisting of the Series 1, and Series 2 CP Notes is excluded from the long-term debt-to-equity ratio, as it is used by the Authority to finance the Authority's current and future energy efficiency programs on behalf of its customers.

	Moody's	Standard & Poor's	Fitch	KBRA
NYPA's underlying credit ratings:				
General Resolution Revenue Bonds:				
Senior Long-Term Debt	Aa1	AA	AA	AA+
Separate Revenue Bond Obligation				
Transmission Resolution Revenue Bonds	Aa3	See note (a) below	AA-	AA
Commercial Paper	P-1	A-1+	F1+	N/A

(a) Standard & Poor's Ratings Service assigned an insured rating of AA for the Series 2022A and 2023A bonds based on the policy provided by Assured Guaranty Municipal Corporation.

In 2024, Moody's Investors Service ("Moody's") affirmed NYPA's Commercial Paper rating and upgraded the General Bond Resolution Revenue Bonds Senior Long-Term Rating to 'Aa1' from 'Aa2' with a stable outlook. Moody's also upgraded the Transmission Resolution Revenue Bonds rating to 'Aa3' from 'A1', with a stable outlook. In 2024, Standard & Poor's Ratings Service ("S&P") affirmed NYPA's Commercial Paper rating, General Bond Resolution Revenue Bonds Senior Long-Term Rating, with a stable outlook. In addition, S&P also affirmed the 'AA' insured rating on the Transmission Resolution Revenue Bonds based on the policy provided by Assured Guaranty Municipal Corporation ("AGM"). In 2024, Fitch Ratings ("Fitch") affirmed NYPA's Commercial Paper rating, General Bond Resolution Revenue Bonds Senior Long-Term Rating, with a stable outlook. Fitch also affirmed the 'AA-' rating with a stable outlook to the Transmission Resolution Revenue Bonds. In 2024, Kroll Bond Rating Agency ("KBRA") upgraded the General Resolution Revenue Bonds Senior Long-Term Rating to AA+ from 'AA' with a stable outlook. KBRA also upgraded the Transmission Resolution Revenue Bonds rating to 'AA' from 'AA-'.

Authority's General Resolution Fund Reserves

The Operating Fund, included within the Cash and Cash Equivalents and Investments on the Authority's Statement of Net Position, was created by the General Bond Resolution. A number of internal reserves have been established within the Operating Fund, as follows:

The Operating Reserve, established at $175 million by the Authority's Trustees, includes a reserve for working capital and emergency repairs to the Authority's projects, and the Authority maintains at least the established amount or higher as necessary.

The Debt Service Reserve is funded at maximum annual debt service (principal and interest payments) to ensure that sufficient amounts are available to pay debt service obligations when due. On December 31, 2024, the Debt Service Reserve balance was $104 million.

The Energy Hedging Reserve was established to have funds available for use as collateral that may be required to support the Authority's authorized fuel and energy hedging transactions. On December 31, 2024, the Energy Hedging Reserve balance was $90 million.

The Spent Fuel Reserve was created to maintain funds to match the Department of Energy's obligation to pay for the processing and final disposition of spent nuclear fuel burned by the Authority when it owned the Indian Point #3 and James A. FitzPatrick nuclear plants. On December 31, 2024, the Spent Fuel Reserve balance was $258 million.

The Capital Project Reserve is utilized to partially fund major new investments by the Authority in its energy infrastructure. The Authority funds major investments with a portion of debt and a portion of equity. This reserve has been established to provide the equity portion. On December 31, 2024, the Capital Project Reserve balance was $339 million.

In addition, the Authority holds committed funds in separate portfolios that have been earmarked for economic development and relicensing programs ("Committed Funds", see Note 19). On December 31, 2024, the Authority held $67 million in Committed Funds in the Operating Fund.

Separately Financed Projects ("SFP")

a) Overview

As referred to in the "Summary of Consolidated Revenues, Expenses and Changes in Net Position" section in the MD&A and further in the Notes to the Consolidated Financial Statements (See Note 3), the proceeds, $608 million and $734 million, in 2022 and 2023 respectively, from the issuance of the Transmission Resolution Revenue Bonds are being used to fund capital and other expenditures of SFP, including reimbursing expenses related to Transmission Resolution Revenue Bond project costs and to pay financing and other costs relating to the issuance of the Transmission Resolution Revenue Bonds.

NYPA contributed $74 million and $75 million in equity to fund the balance of costs not covered by the 2022A and 2023A Bonds, respectively.

b) Smart Path (Moses Adirondack Smart Path Reliability Project)

NYPA has completed all major construction of the Moses Adirondack line ("Smart Path") project, one of NYPA's backbone transmission facilities. The project covers 78 miles of 230 kV transmission line from Massena to the town of Croghan in Lewis County. In July 2017, NYPA received authorization under the New York Independent System Operator ("NYISO") tariff to include the costs of this project in its NYPA Transmission Adjustment Charge ("NTAC") mechanism for cost recovery of the Authority's transmission system costs, which means that the costs will be allocated to all ratepayers in the State. The project includes the update of obsolete wood pole structures with higher, steel pole structures, as well as the update of failing conductor with new conductor and insulation. The line will operate at its current 230 kV level, but the conductor and insulation design will accommodate future 345 kV operation when Smart Path Connect (as referred in subsection "d" below) is complete. NYPA anticipates that the Moses Adirondack line will support the transmission of growing levels of renewable generation located in upstate New York and Canada, such as wind and hydroelectricity, and assist in meeting the State's renewable energy goals. The rebuilt line, in line with NYISO's initiative, will enhance grid reliability.

As of December 31, 2024, NYPA had a capital spend of $456 million (excluding capitalized interest) for the Smart Path project, and the remaining amount to close out the project which is not expected to exceed $484 million will be accounted for as incurred. Construction commenced in 2020 and as of December 31, 2023, all 6 segments for Smart Path have been placed into Electric Plant In Service ("EPIS") and are part of the Authority's Annual Transmission Revenue Requirement ("ATRR"). Project closeout and site restoration are ongoing with expected completion in 2025.

The Smart Path project was funded with proceeds from the 2022A Bonds as mentioned above. See Note 3 on Separately Financed Projects for further information.

c) Central East Energy Connect ("CEEC") (Marcy to New Scotland Upgrade Project)

NYPA executed a Memorandum of Understanding ("MOU") with North America Transmission ("NAT"). The MOU provided that, if any of NYPA/NAT proposals are accepted, NYPA, at its sole discretion, may elect to purchase an ownership share in the project(s) or operate and maintain the project(s). In December 2016, the Authority's Trustees approved funding in the amount of approximately $1 million for NYPA's share of expenses pursuant to the MOU.

In June 2018, NYPA and NAT entered into a Participation Agreement that supersedes the MOU, which granted NYPA the option to secure an ownership interest of up to 37.5% in the jointly proposed projects. In April 2019, the NYISO board selected the project proposed by LS Power Grid New York, LLC (formerly known as NAT) and NYPA for Segment A (also known as the Marcy to New Scotland Upgrade Project) to increase transfer capability from central to eastern New York. In July 2020, the Authority's Trustees approved NYPA's request to exercise its 37.5% purchase option. LS Power Grid New York, LLC transferred its project assets and assigned the participation agreement to LS Power Grid New York Corporation I ("LS Corp.") on January 27, 2020. A development agreement relating to Segment A among the NYISO, LS Corp., and NYPA was executed on February 3, 2020, filed with FERC on March 4, 2020, and accepted for filing by the FERC on April 16, 2020.

The NYISO estimated the total cost of the Segment A project to be about $750 million. In August 2019, LS Power and NYPA submitted an Article VII application to the New York State Public Service Commission ("NYSPSC"), and NYPA filed a petition for incentive rate treatment with FERC pursuant to Section 219 of the Federal Power Act. The petition was approved effective November 21, 2019. This included a 50 basis-point return on equity ("ROE") risk adder (permitting a 9.45% ROE for the project) conditioned upon the FERC's acceptance of a future Authority filing to incorporate the ROE risk adder and a cost containment provision into its transmission formula rate. Upon FERC's acceptance of LS Power's cost containment mechanism in June 2021, the Authority sought to incorporate into its formula rate (a) substantially the same cost containment mechanism and (b) the ROE risk adder, both of which FERC granted in September 2021, thus authorizing the full recovery of NYPA's Segment A project costs inclusive of the requested transmission incentives.

The Commission approved the Article VII Certificate and the first Environmental Management and Construction Plan ("EM&CP") on January 21, 2021. The fourth and final EM&CP was filed and approved by the Department of Public Service ("DPS") in May 2022. The upgraded transmission lines and new substations, as part of the Segment A project, were energized as part of the New York electrical system in December of 2023.

As of December 31, 2024, NYPA had a capital spend of $235 million for CEEC. The CEEC project was funded with proceeds from the 2022A Bonds as mentioned above. The project is 100% placed in service with minor closeout and restoration items being completed. See Note 3 on Separately Financed Projects for further information.

d) Smart Path Connect

To meet the advancement of the State's energy goals and to support the Authority's VISION2030 goals, in 2020 the NYSPSC approved the Smart Path Connect Project ("SPC Project") as a Priority Transmission Project. The project is expected to be substantially placed in service by the end of 2025 with a small portion to be placed in service in 2026. The SPC Project is being developed in cooperation

with National Grid. The SPC Project consists of rebuilding approximately 110 linear miles of existing 230 kV transmission lines in northern and central New York to 345 kV, along with associated substation construction and upgrades, to address existing congestion and curtailment issues by establishing, together with other projects currently under development by NYPA, a continuous 345 kV transmission path from areas of planned renewable generation to New York's load centers. The SPC Project includes rebuilding all or parts of the following transmission lines: the remaining section of the Authority's Moses-Adirondack 1&2, the Authority's Moses-Willis 1&2, the Authority's Willis-Patnode and the Authority's Willis-Ryan; and National Grid's Adirondack to Porter (Chases Lake-Porter Line 11, Adirondack-Porter Line 12, and Adirondack-Chases Lake Line 13), as well as connecting to the Authority's Moses-Adirondack 1&2 transmission facilities. The SPC Project will be built primarily within existing rights-of-way. The goal of the SPC Project is to allow for renewable generation from northern New York regions to be transmitted downstate, improving the NYS renewable energy consumption, as well as the efficiency of energy pricing throughout the state. Construction is underway along the right of way and within substations. As of December 31, 2024, 38 miles of transmission line upgrades have been completed and breakers at the Ryan and Patnode substations have been energized.

As of December 31, 2024, NYPA had a capital spend of $746 million (excluding capitalized interest) for the SPC Project. In 2023, NYPA issued $734 million of 2023A bonds (net proceeds totaling $751 million, which includes $17 million of premium) to support the SPC Project. The project is approved by the Authority's Trustees for $877 million. Due to inflation and supply chain challenges, NYPA is currently evaluating the total project cost estimate including contingencies.

e) Revenue Recovery

The Authority's total cost of providing electric transmission services throughout the State is expressed in its ATRR. The ATRR is determined by a FERC-regulated formula that calculates the total annual revenue that the Authority may earn for providing transmission service on its system, which is included in the NYISO tariff. The Authority's regulated transmission formula rate year spans from July 1st – June 30th and utilizes prior calendar year actual costs to set its upcoming rate year ATRR.

The Authority recovers its full transmission system costs under its formula rate, but for internal purposes, the Authority recognizes that certain projects are separately financed, i.e. the SFP and the revenue requirements for those projects can be tracked under the formula rate. To determine the revenues pledged to SFP, the Authority annually separates and reports the transmission revenue requirement for each project housed within the SFP (Smart Path, Smart Path Connect, and CEEC). The annual revenue requirements for the SFP projects follow the existing FERC-approved formula rate, which allocates the appropriate share of depreciation and amortization expense, return on rate base, and Operating Expenses (Transmission Operation & Maintenance, Allocated Administrative & General, and Allocated General Plant Depreciation & Amortization) to the SFP.

The financial statements and notes to accounts as reported under Notes to Consolidated Financial Statements (See Note 2 and Note 3) provide the financial information relating to the SFP.

Clean Energy Solutions

The Authority offers energy efficiency services to the State's public and other statutorily eligible entities to reduce energy consumption and cut energy costs. The Authority has been implementing energy efficiency projects since the early 1990s and has invested over $4.1 billion in energy efficiency projects, yielding over 1,890 GWH estimated annual savings statewide. The Authority offers comprehensive

energy efficiency services tailored to each participant's needs. Services include but are not limited to energy audits, advisory services, metering, data analytics, lifecycle cost analysis, engineering/design services, procurement, project management, construction management, and project close-out. The Authority manages all aspects of the project for the customer so the customer can focus their attention on their core responsibilities while major projects are being implemented. The Authority recovers all costs incurred on such projects with no material impact on its financial results.

On an annual basis, the Authority implements an average of $250 million in energy efficiency and clean energy technology projects. As of December 31, 2024, the outstanding balance for energy efficiency and clean energy technologies projects in the Authority's balance sheet was a total of $580 million, with $296 million of the loan balance and $284 million of energy efficiency program cost that will be billed to the customers.

Economic Conditions

In December 2020, the Authority's Trustees approved its strategic plan, VISION2030. VISION2030 provides a roadmap for transforming the State's energy infrastructure to a clean, reliable, resilient, and affordable system over the next decade. VISION2030 focuses on five strategic priorities to achieve the clean energy goals of the Authority's customers and the State; the Authority's intention to preserve the value of hydroelectric generation; facilitate the rapid development of transmission assets; pioneer the path to decarbonization while ensuring reliability, resilience, and affordability of the state's electric grid; partner with customers to deliver clean and affordable energy solutions and adaptively reimagine the New York State canal system. Five foundational pillars: digitalization, best-in-class environmental, social, and governance ("ESG") performance and reporting; leadership in diversity, equity, and inclusion ("DEI") priorities; enterprise resilience; and resource alignment (i.e., process excellence, workforce planning, and knowledge management initiatives) support VISION2030. The costs and revenues with respect to the plan are reflected in the Authority's 2025-2028 financial plan.

The Authority believes, based on evaluations it has performed, that the impact, if any of the current economic conditions related to inflation, supply chain constraints, and geopolitical conflicts are not expected to be material to the Authority's future financial condition or operations.

Further, the Authority cannot predict at this time whether any laws or regulations will be repealed or amended, or whether any additional legislation or rules will be enacted at the state or federal level that will affect or impact the Authority's operations and if such laws are enacted, what the impact of such actions might be in the future.

Climate Leadership and Community Protection Act

New York has among the most ambitious climate and clean energy goals in the nation, calling for an orderly and just transition to clean energy that creates jobs and fosters the nascent green economy in the State. Enshrined into law through the Climate Leadership and Community Protection Act ("CLCPA"), New York is making progress towards its clean energy goals, including the 70 percent by 2030 renewable energy target, the 100% by 2040 zero-emissions electricity target, and the economy-wide carbon neutrality by 2050 target. Achieving the CLCPA's targets for decarbonizing power generation will require a broad range of investments, including developing 45 GW (26 GW of land-based renewables, 9 GW of offshore wind, and 10 GW of distributed solar) of renewables by 2035; accelerating transmission network upgrades to integrate renewables and alleviate load pockets; and ensuring grid reliability and flexibility through an integrated set of solutions including 3 GW of energy

storage (subsequently increased to 6 GW through Gubernatorial action), dispatchable clean generation, and demand-side solutions. New York's targets for decarbonizing beyond the power sector include the reduction of statewide energy use by 185 trillion British thermal units ("TBtu"); electrification of transportation; and coordinated electrification of building heating and industrial processes. The Authority's clean energy programs, projects, and initiatives are crucial in supporting the achievement of the CLCPA goals and ensuring an equitable transition to thriving clean energy.

Accelerated Renewable Energy Growth and Community Benefit Act

The Accelerated Renewable Energy Growth and Community Benefit Act (the "Renewable Energy Act") was enacted as part of the 2020-21 Enacted State Budget. The purpose of the enactment is to promote planning and prioritize the development of new and upgraded distribution and transmission infrastructure in the state, accelerate the siting of renewable energy projects, and provide benefits to local communities where renewable generation will be sited. In summary, the Renewable Energy Act:

- Establishes a new Office of Renewable Energy Siting, through which the State will consolidate the environmental review of major renewable energy facilities.
- Provides accelerated timetables for review of applications for major utility transmission facilities.
- Authorizes New York State Energy Research and Development Authority ("NYSERDA") to undertake several "host community benefit" programs to provide benefits to residents of local communities where new renewable general projects are slated for development.
- Directs the DPS, in consultation with NYSERDA, the Authority, the Long Island Power Authority, the NYISO, and the state's regulated utilities, to undertake a comprehensive study of the power delivery system in the state, for the purpose of identifying investor-owned utility distribution and local transmission upgrades, and bulk transmission system investments necessary to help the State meet the environmental goals of the CLCPA.
- Requires the NYSPSC to identify bulk transmission projects that need to be developed expeditiously to meet CLCPA goals ("Priority Transmission Project(s)" or "PTP(s)").
- Declares that it is appropriate for the Authority, by itself or in collaboration with other parties to develop those bulk transmission investments designated as PTPs that are needed expeditiously to achieve CLCPA targets.
- Authorizes the Authority, through a public process, to solicit interest from potential co-participants in each PTP it has agreed to develop and assess whether any joint development would provide for significant additional benefits in achieving the CLCPA targets, and thereafter determine to undertake the development of the PTP on its own, or undertake the PTP jointly with one or more other parties and enter into such agreements and take such other actions the Authority determines to be necessary in order to develop the PTP. For PTPs substantially within the Authority's existing rights of way, the Renewable Energy Act authorizes the Authority to select private sector participants through a competitive bidding process.

Sustainability

The Authority is committed to developing and implementing sustainable business practices that prioritize economic as well as ESG outcomes that are expected to contribute to long-term value creation for the Authority and its stakeholders. To this end, the Authority has identified ESG as a Foundational Pillar of VISION2030. In 2020, guided by the *Global Reporting Initiative Standards* and the *AA1000 Accountability Principles*, the Authority developed and published the NYPA and Canals' 2021-25 Sustainability Plan, which is intended to serve as a roadmap to help bring the Authority's ESG ambition

to life. The Plan outlines the goals, strategies, and initiatives the Authority is committed to across each of 15 ESG focus areas which align with and support VISION2030 objectives.

The Authority issued 2020 and 2021 Annual Reports and Sustainability Reports and 2022 and 2023 Integrated Reports that describe its progress in achieving VISION2030 and 2021-25 Sustainability Plan goals. NYPA is currently preparing its 2024 Integrated Report. The annual Integrated Reports aim to apply Integrated Reporting Framework principles and bring together environmental, social, and governance data and audited financial information to present a more comprehensive view of the Authority's value creation process. They also strive to align with the Global Reporting Initiative Standards, the Sustainability Accounting Standards Board ("SASB") Electric Utilities and Power Generators Standard, and the Task Force on Climate-Related Financial Disclosures ("TCFD") reporting framework. The 2023 Integrated Report can be accessed at NYPA 2023 Integrated Report. The 2024 Integrated Report will be issued in the third quarter of 2025.

Regional Greenhouse Gas Initiative

The Regional Greenhouse Gas Initiative ("RGGI") is a cooperative effort by Northeastern and Mid-Atlantic states, including New York, to reduce carbon dioxide emission levels. Participating states have established a regional carbon dioxide emissions cap from the power sector (fossil fuel-fired power plants 25MW or greater); for New York State, its Department of Environmental Conservation has set the applicability at 20MW or greater. RGGI States make periodic adjustments to the RGGI cap to account for banked CO2 allowances accumulated through the third control period. The size of the adjustment was last calculated in March 2021 and the adjustment will be made over a five-year period (2021-2025), as specified in the 2017 Model Rule. Central to this initiative is the implementation of a multi-state cap-and-trade program with a market-based emissions trading system. The program requires electricity generators to hold carbon dioxide allowances in a compliance account, in a quantity that matches their total emissions, for the three-year compliance period. The program also provides for (1) an annually replenished cost containment reserve that is used if emission reduction costs are higher than projected, and (2) an emission containment reserve to withhold allowances from circulation if credit prices fall below an established trigger price (i.e., when emission reduction costs are lower than expected). The Authority's Richard M. Flynn Power Plant, the Small Natural Gas Power Plants, and Eugene W. Zeltmann Power Plant are subject to the RGGI requirements. The Authority has participated in program auctions to acquire carbon dioxide allowances and expects to recover RGGI costs through its power sales revenues. The Authority is monitoring proposed federal and state legislation, regulations, and programs (including any changes to RGGI) that would impact carbon dioxide emission levels.

Competitive Environment

The Authority's mission statement ratified by the Authority's Trustees in December 2020, is to "Lead the transition to a carbon-free, economically vibrant New York through customer partnerships, innovative energy solutions, and the responsible supply of affordable, clean, and reliable electricity." The Authority's hydro and transmission assets are foundational to achieving a decarbonized grid and the Authority is committed to enhancing their flexibility and ensuring their continued reliability. Additionally, through its Expanded Authority (per the 2023-2024 State Budget) the Authority is expanding its portfolio of clean energy resources.

The Authority operates in a competitive market environment. Through its participation in the NYISO and commodity markets, the Authority is subject to energy, fuel, capacity, and non-energy commodity price

uncertainty which impacts revenue and costs passed on to customers. Any market volatility can potentially have adverse effects on the Authority's financial condition.

To mitigate and moderate impacts to the Authority, many of the Authority's customer contracts provide for the complete or partial pass-through of these costs, and at times, the Authority hedges commodity market risks through the use of financial derivative instruments and/or physical forward contracts.

The Authority can give no assurance that, even with these measures, it will retain its competitive status in the future marketplace as a result of the restructuring of the State's electric utility industry, the emergence of new competitors, and increased competition from existing market participants.

Clean Path Transmission Project

On December 23, 2024, as a result of the termination of the Tier 4 contract between Clean Path NY and NYSERDA, the Authority filed a petition with the NYSPSC seeking a Priority Transmission Project ("PTP") designation in Case 20-E-0197 related to the Clean Path Transmission Project. The petition describes the Clean Path Transmission Project as the transmission portion of the Clean Path NY Project that was the subject of the Tier 4 contract between Clean Path New York LLC and NYSERDA. The PTP process was first established by Section 7(5) of the Renewable Energy Act. The Renewable Energy Act contains provisions to facilitate new and upgraded distribution and transmission projects that are necessary for the state to avoid congestion and reach the CLCPA targets. The Legislature found that the Authority owns and operates backbone electric transmission assets in the State, has rights-of-way that can support in whole or in part bulk transmission investment projects, and has the financial stability, access to capital, technical expertise and experience to effectuate expeditious development of bulk transmission investments needed to help the State meet its targets under the CLCPA. As such, the Renewable Energy Act grants the Authority the sole authority to petition the NYSPSC to approve PTPs and the ability to develop PTPs which the NYSPSC determines should be pursued expeditiously to promote the State's public policy goals.

Pursuant to the Renewable Energy Act, the Authority is authorized to solicit interest from potential co-participants in each PTP it agrees to develop and assess whether any joint development would provide for significant additional benefits in achieving the CLCPA targets. The Authority may then undertake the development of PTP on its own or undertake the PTP jointly with one or more other parties. A joint development of PTP may be accomplished through agreements on such terms and conditions as the Authority finds to be appropriate and necessary in order to undertake and complete timely development of PTP. Any such PTP could be designated as an SFP Transmission Project and financed with additional Transmission Resolution Revenue Bonds issued pursuant to the Transmission Bond Resolution.

The Clean Path Transmission Project includes the construction of a new approximately 178-mile High Voltage Direct Current transmission line at an estimated cost of $5.2 billion. Previously, Forward Power—a joint venture between EnergyRe, LLC and Invenergy, LLC—and the Authority, were collaborating on the transmission line portion of the Clean Path Transmission project. However, Forward Power and the Authority are no longer collaborating on this project at this time. Facilitating the rapid development of transmission assets is one of the Authority's strategic priorities to achieve the clean energy goals of the Authority's customers and the State, and the Authority intends to pursue all opportunities to advance this strategic priority. Refer to the section 'Economic Conditions' above for more information on VISION2030.

Propel New York Energy Project

On June 20, 2023, the NYISO publicly announced the selection of Propel NY Alternative Solution 5 ("Propel Project") as the project that will meet the identified Long Island Public Policy Transmission need to strengthen the Long Island Extra High Voltage Grid and its connections to rest of the New York State. The Propel Project is being collaboratively developed by NYPA and New York Transco ("NYT") pursuant to the Development Agreement and will meet the transmission need through new electric transmission lines, new substations, and existing substation upgrades. On May 3, 2024, NYT, NYPA and NYISO signed a Development Agreement to deliver the project consistent with the NYISO's Open Access Transmission Tariff. The Development Agreement includes a required in-service date for the project of May 31, 2030. The Propel Project will establish a continuous 345kV path that greatly expands the deliverability of renewable offshore wind. More specifically, the Propel Project consists of the following electric transmission facilities: (i) East Garden City – Tremont 345 kV PAR-controlled line; (ii) Shore Road – Sprain Brook two (2) 345 kV PAR-controlled lines; (iii) Barrett – East Garden City 345 kV PAR-controlled line; (iv) Ruland Road – Shore Road 345 kV line; (v) Ruland Road – East Garden City 345 kV PAR-controlled line; (vi) Shore Road – East Garden City 345 kV line; and (vii) Syosset – Shore Road 138 kV PAR-controlled line. The Propel Project, estimated to cost approximately $3.3 billion, will be funded by the Propel Project sponsors, NYPA, and NYT. NYPA has a right to limit its investment to $500 million towards this project, however, also has a right to increase its investment to 30% of the total project cost.

On July 22, 2024, NYPA was conditionally awarded (pending contract negotiation) $44 million by the U.S. Department of Energy ("USDOE") to support community initiatives in certain disadvantaged communities along the proposed Propel project. These community initiatives would include energy audits and energy efficiency projects with local community-based partners, tied to community education and training opportunities. This grant award was from the Inflation Reduction Act's ("IRA") Transmission Siting and Economic Development Grant Program. On January 20, 2025, the Trump Administration issued Executive Order 14154 *Unleashing American Energy*, which put a 90-day freeze on all pending Infrastructure Investment and Jobs Act ("IIJA") and Inflation Reduction Act ("IRA") grant activity so that the new Administration can review all outstanding items. As a result of that Executive Order, this grant opportunity is currently on hold pending Federal review.

NYPA has requested and been awarded FERC incentives applicable to its investment in the Propel Project. On August 28, 2023, NYPA filed a petition for declaratory order seeking authorization to recover 100% of its prudently incurred costs pertaining to the Propel Project, in the event the Project is cancelled or abandoned for reasons beyond NYPA's control ("Abandonment Incentive"). FERC granted NYPA's Abandonment Incentive request on November 6, 2023. On April 25, 2024, NYPA filed a petition for declaratory order seeking incentive rate treatment in the form of a 75-basis point return on equity adder ("ROE Risk Incentive") to recognize the significant risks and challenges associated with NYPA's investment in the Propel Project. FERC conditionally granted NYPA's ROE Risk Incentive request effective July 11, 2024, subject to a compliance filing implementing NYPA's proposed cost containment mechanism. On December 6, 2024, FERC accepted NYPA's compliance filing for Propel NY in full.

Stewart Avenue-Uniondale Hub Substation Upgrade (formerly known as the East Garden City Substation Upgrade)

While Propel NY is the sponsoring developer of Propel Project, under the Open Access Transmission Tarriff, incumbent Transmission Owners retain the right to build, own and recover the costs for upgrades to their facilities.

As identified in NYISO's final report, upgrades to NYPA's existing Stewart Avenue-Uniondale Hub substation in Nassau County, NY (formerly known as the East Garden City 345kV Substation) was deemed a required Designated Public Policy Project. NYPA, as the incumbent Transmission Owner of this substation, has confirmed to NYISO its intention to move forward with the identified upgrades. To date, NYPA has executed a development agreement with NYISO, has placed orders for long-lead power equipment, and continues work on permitting, environmental site investigations, and overall planning for implementation of the substation upgrades. Further, NYPA is currently amending the development agreement with NYISO for change in the substation from Air insulated substation ("AIS") to Gas insulated substation ("GIS"). The substation upgrade is estimated to cost $341 million. The targeted in-service date for the Stewart Avenue-Uniondale Hub upgrade is mid-2029.

Robotics and Drone Program

The Authority's Robotics program has expanded its capabilities beyond Unmanned Aerial Systems ("UAS") to include ground-based robotics and other innovative technologies, all while maintaining its commitment to safety and operational excellence. Today, with more than 140 certified pilots and a growing fleet of drones, the Robotics Program supports long-endurance aircraft, confined space drones, and is currently evaluating ground-based solutions such as Wall climbers & Robotic Dogs. The Robotics program is exploring aquatic based systems i.e., submarines and boats for new applications. The program completed over 1,563 arial missions in 2024, enhancing the safety and reliability of the Authority's operations across its transmission, generation, and Canal's infrastructure. Additionally, the program has obtained all necessary FAA waivers to enable full operational capabilities over these assets.

The next steps for the Robotics Program include continuing to expand its capabilities and integrating advanced technologies into NYPA's infrastructure. These advancements will ensure the program remains a national leader in leveraging robotics for utility operations.

On July 27, 2023, the Authority's Trustees authorized a Capital Expenditure Authorization of $11 million for the implementation of foundational measures for an UAS Drone and Robotics Program. Additionally, the Authority's Trustees provided concurrence with the five-year implementation plan of the UAS Drone and Robotics Program, which has a total program cost of $37 million. The remaining balance of $26 million, after the $11 million authorization, will be requested to continue the advancement and build out of the program.

As of December 31, 2024, the total spend on the Drone and Robotics Program was $8 million.

Rate Actions

Power and energy from the St. Lawrence-FDR and Niagara hydroelectric facilities are sold under contract to municipal electric systems, rural electric cooperatives, commercial and industrial and other business customers, non-profit corporations, certain public bodies, investor-owned utilities, and out-of-state customers. The remaining available energy is sold into the NYISO market.

The charges for firm power, firm peaking power and associated energy sold by NYPA, as applicable, to the fifty-one municipal electric utility systems and rural electric cooperatives in New York State, two public transportation agencies, three investor-owned utilities for the benefit of their rural and domestic customers, seven Niagara relicensing "host communities," Tuscarora Nation, and public customers in

seven neighboring states have been established based on the cost of power produced by those hydroelectric facilities, which is considered NYPA's Preference Power rate.

Niagara's Expansion & Replacement Power, St. Lawrence-FDR's Preservation Power, and ReCharge New York's customers are dedicated 45% and currently allocated over 35% of the average generation capacity of the plants and the allocation varies as additional power is awarded to eligible customers. Their rates are subject to annual adjustment based on the average of three contractually agreed-upon economic indices reflecting changes in industrial energy prices.

In 2019, the Authority's Trustees approved a seven-year extension of an agreement for the sale of firm hydroelectric power and energy from the St. Lawrence-FDR project to the Aluminum Company of America ("Alcoa") at its West Plant facilities. The existing contract with Alcoa, for an aggregate of 240 MW, has been executed effective April 1, 2019, through March 31, 2026, replacing prior long-term contracts. The contract extension provides for monthly Base Energy Rate adjustments based on the price of aluminum on the London Metal Exchange and contains provisions for employment (450 jobs) and capital commitments ($14 million). Changes from the previous contract include a reduced allocation of 245 MW, with the additional 5 MW being allocated to Arconic, a business independent of Alcoa, sold under a separate Preservation Power sale agreement; a monthly Clean Energy Standard ("CES") charge relating to Zero Emission Credits ("ZEC") and Renewable Energy Credits ("REC") that NYPA purchases which are attributable to Alcoa's load. The contract specifies a sharing mechanism for the CES charges between Alcoa, New York State, and NYPA, whereby Alcoa's share increases as the aluminum price increases. NYPA has entered into aluminum contracts to mitigate potential downside risk in that market, with future activities based upon prevailing economic conditions as appropriate. Contract extension discussions are currently in progress, but the new contract will be subject to the Board of Trustees and Governor approval.

ReCharge New York ("RNY") is the Governor's statewide economic development electric power program, designed to retain and create jobs through the allocation of low-cost preservation power. The RNY program allocates 455 MW of hydropower from NYPA's Niagara and St. Lawrence-FDR projects at Preservation Power rates, which are similar to the Expansion and Replacement power customer rates, with certain adjustments. An additional 455 MW of market power can also be procured for RNY customers upon contractual agreement.

Various New York City ("NYC") governmental agencies are served by NYPA's combined-cycle Eugene W. Zeltmann Power Project ("Zeltmann"), the contracted output of the Astoria Energy II plant ("AEII"), and capacity and energy purchased by NYPA in the NYISO markets. In 2017 and 2018, NYPA executed new supplemental long-term electricity supply agreements ("Supplemental LTAs") with its eleven NYC governmental customers, including the 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, the New York State Office of General Services, and remaining six key governmental customers. Under these Supplemental LTAs, the NYC governmental customers agreed to purchase their electricity from NYPA 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 NYPA and the NYC governmental customers may terminate the agreement upon at least six months' notice. Under the Supplemental LTA's fixed costs for NYPA's services as well as Zeltmann plant were contractually set for each customer, and the fixed agreed amounts are recovered from the customers regardless of their load usage. Variable costs, including fuel, purchased power and NYISO related costs, are to be set on a pro-forma cost of service basis and reconciled to actuals as a pass-through to each customer via an energy charge adjustment. For years 2023-2027, to

provide better price certainty, NYPA is offering an annual fixed price energy purchase option to the NYC governmental customers.

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. Net costs and benefits to NYPA for both facilities are directly passed through to the NYC governmental customers. The AEII plant is under contract with the customers until June 30, 2031, while the Zeltmann plant contract expires at the end of 2027. The economic value of the Zeltmann and AEII plants helps to support the NYC governmental customers. Additionally, NYPA retains rights to grandfathered and historic fixed priced transmission congestion contracts on behalf of the customers, which helps to hedge against the fluctuating energy purchase power costs. All net costs of NYPA 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.

NYPA's other Southeastern New York governmental customers are Westchester County and numerous municipalities, school districts, and other public agencies located in Westchester County (collectively, the "Westchester Governmental Customers"). NYPA has entered into an evergreen supplemental electricity supply agreement with all 103 Westchester Governmental Customers. Among other terms of the agreement, customers can partially terminate service from NYPA 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 NYPA'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-priced transmission congestion contracts, all help to offset the cost of the energy purchased, with an energy charge adjustment mechanism in place for cost reconciliation.

Cost recovery for NYPA's provision of transmission service over its facilities has been governed by the NYISO tariff since the formation of the NYISO in November 1999. NYPA receives cost recovery through the NYISO tariff mechanism known as the NYPA Transmission Adjustment Charge ("NTAC"), recovering NYPA's Backbone Transmission System costs on a statewide basis after accounting for NYPA's revenues received from pre-existing customer transmission service contracts, Transmission Service Charge ("TSC") assessed on customers in NYPA's upstate load zone, and other sources. In January 2016, NYPA filed with FERC to convert from a stated rate to a formula rate to ensure recovery of its ATRR based upon operating and maintenance expenses as well as the capital spending necessary to maintain the reliability of its transmission system. FERC accepted the filing and made it effective April 1, 2016, as requested, subject to hearing and settlement judge procedures. NYPA 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. The settlement was approved by FERC on January 19, 2017. The ATRR is updated annually prior to the start of each rate year (July 1st - June 30th).

In November 2022, NYPA filed to amend its Administrative and General ("A&G") expense allocator under the formula rate to no longer use a labor ratio to allocate these expenses but instead adopt a 3-factor allocation method that uses equal parts direct labor, net plant, and net revenue. Per the terms of an uncontested settlement agreement approved by FERC in March 2024, NYPA is permitted to use this A&G expenses allocator effective January 2023.

In October 2024, NYPA filed to amend its base Return on Equity ("ROE") contained in the formula rate from the existing settled ROE of 8.95% to a proposed ROE of 10.98%. The proposed base ROE rate was determined utilizing FERC Commission methodologies and found to be within their zone of reasonableness. FERC accepted NYPA's filing in December of 2024, made effective November 2024 subject to refund pending hearing and settlement procedures. Settlement discussions between NYPA and its interested parties are currently underway.

Effective July 1, 2024, the Transmission Revenue Requirement is $527 million, which includes revenue requirements for the NTAC, Marcy South Series Compensation, and AC Transmission (renamed as Central East Energy Connect) projects.

On December 10, 2024, the Authority's Trustees approved the filing of a Notice of Proposed Rulemaking, or NOPR, to increase our Preference Power rates, which initiated a 60-day public comment period as prescribed by State Administrative Procedure Act ("SAPA"). NYPA held two public forums on January 29, 2025, and February 4, 2025, to offer ratepayers the opportunity to comment publicly on the proposed rate action. Based on the comments from the public hearings, various elected officials, including the Governor, the Authority's management has filed a Notice of Withdrawal with the NYS Department of State to officially terminate the NOPR, thus leaving existing Preference Power rates intact for the time being.

Certain New Legislation Affecting the Authority

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

As more specifically described in the enactment, and subject to limitations described therein, the 2019-20 Enacted State Budget (2019-20 ESB) amended the Power Authority Act to authorize the Authority, subject to feasible and advisable determinations by the Authority's Trustees, to: (1) design, finance, develop, construct, install, lease, operate and maintain electric vehicle charging stations throughout the state for use by the public; (2) plan, finance, construct, acquire, operate, improve and maintain, either alone or jointly with one or more other entities, transmission facilities for the purpose of transmitting power and energy generated by renewable wind energy generation projects that are located in State territorial waters, and/or in waters under the jurisdiction or regulation of the U.S.; (3) 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 (collectively, "Eligible Entities"); and (4) alone or jointly with one or more other entities, finance the development of renewable energy generating projects that are located in the State, including its territorial waters, and/or on property or in waters under the jurisdiction or regulatory authority of the United States, purchase power, energy or related credits or attributes produced from such renewable energy generating projects, and allocate and sell such products to Eligible Entities. The Authority may exercise any of this authority at its discretion, and the amendments made by 2019-20 ESB do not affect the Authority's previously existing statutory authority.

On July 18, 2019, the State enacted the CLCPA. The CLCPA sets renewable energy targets for the state, including 70% renewable energy by 2030, a 100% emissions-free grid by 2040, 9,000 Megawatts

("MW") of offshore wind, 6,000 MW of photovoltaic solar generation and 3,000 MW of energy storage. The CLCPA further directs the New York State Department of Environmental Conservation (the "NYSDEC") to develop regulations to reduce statewide greenhouse gas emissions ("GHG") to 60% of 1990 levels by 2030 and 15% of 1990 levels by 2050. NYSDEC is currently drafting regulations that would implement these and other related goals.

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

Many of the provisions of CLCPA that could impact the Authority are not likely to be implemented for years based on deadlines established in the enactment. Therefore, the Authority is not in a position at this time to evaluate the impact of any particular provision of CLCPA on the Authority's business and operations.

As part of the 2020-2021 Enacted State Budget, legislation was enacted that is expected to expedite the construction of clean energy projects to combat climate change in an effort to improve the State's economic recovery from the COVID-19 health crisis. The Renewable Energy Act will improve and streamline the process for environmentally responsible and cost-effective siting of large-scale renewable energy projects across the State while delivering significant benefits to local communities. The Renewable Energy Act will accelerate progress toward the State's clean energy and climate goals, including the goal to obtain 70% of the State's electricity from renewable sources by 2030.

As part of the 2022-2023 Enacted State Budget, legislation was enacted to allow the Authority, as deemed feasible and advisable by the Authority's Trustees, to enter into lease agreements with other State instrumentalities and municipal entities for the use of excess capacity in the Authority's fiber optic communications infrastructure. The purpose of this legislation is to provide affordable, high-speed broadband in unserved and underserved communities in the State. Any excess fiber optic communication infrastructure leased out by the Authority shall be at a rate that is no greater than necessary to cover the cost of maintenance of such fiber optic communications infrastructure. The Authority will not be limited from recovering other costs incurred to make such excess capacity available in unserved and underserved communities in the State. Any authorized lease agreements shall be subject to review and comment by the Division of Broadband Access within the Empire State Development Corporation ("ESDC") in consultation with the NYSPSC.

Expanded Authority

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

revenues generated from new renewable energy generation projects developed or contracted for by the Authority to support the REACH Program; (c) direct the Authority to prepare a plan for ceasing electricity production at its small natural gas-fired power plants by December 31, 2030, and to cease electricity production by such date if certain conditions are satisfied; and (d) authorize the Authority to make available up to $25 million annually to the New York State Department of Labor ("DOL") to fund programs established or implemented by or within the DOL, including, but not limited to, the Office of Just Transition and programs for workforce training and retraining to prepare workers for employment for work in the renewable energy field.

Changes made by these amendments do not affect the Authority's previously existing statutory authority.

The Authority is continuing to advance its renewable energy strategy in accordance with New York State's 2023-2024 Enacted Budget that enabled the Authority to plan, design, finance, and operate renewable energy generating projects, with and without private sector partners. In January 2024, the Authority filed a petition with the NYSPSC to establish the REACH program, which will provide renewable energy bill credits to low-income New Yorkers. In October 2024, the NYSPSC issued an order approving the Authority's petition to establish the REACH Program. The NYSPSC order implemented a structure that could make the REACH Program bill credits available from smaller scale projects (<5 MW) as early as 2026, and large-scale projects as early as 2027. The Authority issued Requests for Information and Requests for Qualifications to identify and pre-qualify renewable project developers and investors for future partnerships for renewable energy projects. By January 2025, the Authority pre-qualified 89 renewable developers and partners to collaborate with, on renewable energy generation projects. The Authority issued its first strategic plan on January 28, 2025, which identifies and prioritizes actions to develop more renewable resources and support the decarbonization of New York State's electric grid, including projects the Authority plans to develop, own, and support in the upcoming years. The initial draft of the strategic plan was made available to the public on October 8, 2024, commencing a 60-day public comment period, with the Authority holding 12 public hearings in the month of November and receiving over 5,000 written public comments.

The Authority, through NYREDHC, plans to invest $699 million in renewable energy generating projects from 2025 through 2028. The Authority's final strategic plan issued on January 28, 2025, identified the first tranche of 37 projects totaling 3.0 GW of renewable energy generation and storage systems. The Authority will continue to evaluate, conduct due diligence, and identify co-development opportunities with the private market to maximize its renewable energy portfolio buildout.

Other State Legislation

Article 4-D of the Public Buildings Law, added by Part RR of Chapter 56 of the Laws of 2023, authorizes and directs the Authority to establish decarbonization action plans for fifteen state-owned facilities that are among the highest producers of GHG emissions and collectively account for at least 30% of the GHG emissions as recorded by the Authority's BuildSmart NY program, that 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 New York State Governor approved the "Renewable Action through Project Interconnection and Deployment ("RAPID") Act" on April 20, 2024, as part of the 2024-2025 Enacted State Budget. The purpose of the RAPID Act is to upgrade the State's bulk and local transmission systems to deliver renewable energy to consumers and achieve the renewable energy goals of the CLCPA. The RAPID

Act consolidates the environmental review, permitting and siting of both major renewable energy facilities and major electric transmission facilities under the purview of the Office of Renewable Energy Siting within the Department of Public Service. The RAPID Act will affect the process that the Authority and other developers must follow to apply for permits to site major renewable energy facilities and major electric transmission facilities but is not expected to have a material impact on the Authority's operations.

The above actions, as described in the enactment, are executable as deemed advisable and feasible by the Authority's Trustees.

Other items of appropriation regarding NYPA and Canals are detailed in the section below on the New York State Budget/Other Matters.

New York State Budget /Other Matters

Section 1011 of the Power Authority Act (Act) constitutes a pledge of the State to holders 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 holders thereof. Bills are periodically introduced into the State Legislature, which propose to limit or restrict the powers, rights, and exemption from regulation that the Authority currently possesses under the Act and other applicable law or otherwise would affect the Authority's financial condition or its ability to conduct its business, activities, or operations, in the manner presently conducted or contemplated by the Authority. 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.

In addition, from time to time, legislation is enacted into New York 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 nature of the obligations imposed and the applicability of the pledge of the State set forth in Section 1011 of the Act to such provisions. There can be no assurance that in the case of each such provision, the Authority will be immune from the financial obligations imposed by such provision. Examples of such legislation affecting only the Authority include legislation, discussed below and elsewhere herein, relating to the Authority's voluntary contributions to the State, the Authority's temporary transfer of funds to the State, and contributions and transfers to fund temporary and permanent programs administered by the Authority and other State entities.

The Authority is requested, from time to time, to make financial contributions or transfers of funds to the State. Any such contribution or transfer of funds must (i) be authorized by law (typically, legislation enacted in connection with the State budget), and (ii) satisfy the requirements of the General Bond Resolution. The General Bond Resolution requirements to withdraw moneys "free and clear of the lien and pledge created by the (Bond) Resolution" are as follows: (1) such withdrawal must be for a "lawful corporate purpose as determined by the Authority," and (2) the Authority must determine "taking into account, among other considerations, anticipated future receipt of Revenues or other moneys constituting part of the Trust Estate, that the funds to be so withdrawn are not needed" for (a) payment of reasonable and necessary operating expenses, (b) an Operating Fund reserve for working capital, emergency repairs or replacements, major renewals, or for retirement from service, decommissioning or disposal of facilities, (c) payment of, or accumulation of a reserve for payment of, interest and principal on senior debt, or (d) payment of interest and principal on subordinate debt.

In 2011, the Authority's Trustees adopted a policy statement ("Policy Statement") which relates to, among other things, voluntary contributions, transfers, or other payments to the State by the Authority after that date. The Policy Statement provides, among other things, that in deciding whether to make such contributions, transfers, or payments, the Authority shall use as a reference point the maintenance of a debt service coverage ratio of at least 2.0 (this reference point should not be interpreted as a covenant to maintain any particular coverage ratio), in addition to making the other determinations required by the Bond Resolution. The Policy Statement may at any time be modified or eliminated at the discretion of the Authority's Trustees.

Section 18 of Part PP of Chapter 56 of the Laws of 2023, part of the 2023-2024 Enacted State Budget, provides that notwithstanding any provision of law to the contrary, as deemed feasible and advisable by the Authority's Trustees, the Authority is authorized and directed to transfer to the State Treasury to the credit of the general fund up to $20 million for the State fiscal year commencing April 1, 2023, to support energy-related State activities.

Chapter 56 of the Laws of 2024, part of the 2024-2025 Enacted State Budget, provides that notwithstanding any provision of law to the contrary, as deemed feasible and advisable by the Authority's Trustees, the Authority is authorized and directed to transfer to the State Treasury to the credit of the general fund up to $20 million for the State fiscal year commencing April 1, 2024, to support energy related State activities.

Chapter 56 of the Laws of 2024, part of the 2024-2025 Enacted State Budget, also provides that notwithstanding any provision of law to the contrary, as deemed feasible and advisable by the Authority's Trustees, the Authority is authorized and directed to transfer to the State Treasury to the credit of the general fund up to $25 million for the State fiscal year commencing April 1, 2024. These amounts will be utilized to support programs established or implemented by or within the New York State Department of Labor, 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. In 2024, the Authority's Trustees authorized the total expenditure of $21 million for such programs.

The above actions, as described in the enactment, are executable as deemed advisable and feasible by the Authority's Trustees.

The 2025-26 proposed State Budget introduced by Governor Hochul states that the Authority, as deemed feasible and advisable by its Trustees, is authorized to transfer to the State Treasury to the credit of the General Fund up to $25 million or as described in the MOU between the Authority and the Department of Labor, for the state fiscal year commencing April 1, 2025, the proceeds of which will be utilized to support programs established or implemented by or within the department of labor, 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. This proposed transfer to the State Treasury is not enacted into state law and would not become effective until it is passed by the Legislature and approved by the Governor.

The 2025-26 proposed State Budget introduced by Governor Hochul would state that the Authority, as deemed feasible and advisable by its Trustees, is authorized and directed to transfer to the State Treasury to the credit of the General Fund up to $10 million for the state fiscal year commencing April 1, 2025, the proceeds of which will be utilized to support energy-related state activities. This proposed

transfer to the State Treasury is not enacted into state law and would not become effective until it is passed by the Legislature and approved by the Governor.

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

The 2024-2025 Enacted State Budget (Chapter 54 - Capital Projects Budget) appropriated $50 million to the Authority for services, expenses, and indirect costs related to maintenance, repair, construction, reconstruction, development and preservation of the Canal System. The Authority received $10 million of that appropriation. In her 2025-2026 proposed State Budget, Governor Hochul proposed to re-appropriate this $50 million appropriation. It is important to note that the Governor's proposed State Budget has not been enacted yet and is subject to change.

The 2025-26 proposed State Budget introduced by Governor Hochul includes a separate appropriation that would provide $50 million to the Authority for services, expenses, and indirect costs related to maintenance, repair, construction, reconstruction and development and preservation of the New York State canal system. This proposed appropriation to the Authority is not enacted into state law and would not become effective until it is passed by the Legislature and approved by the Governor.

Memorandum Of Understanding ("MOU") With U.S. Army

The Authority recently announced a first-of-its-kind agreement with the United States Army. The signed MOU allows the Authority and the United States Army to collaborate on new opportunities that advance the United States Army's decarbonization initiatives at military facilities in New York State. Under the MOU, the Authority is authorized to provide low-cost energy, energy efficiency and conservation services and facilities that could assist the United States Army in future decarbonization and resiliency initiatives. These efforts could lead to the development of on-site clean energy facilities at United States Army installations statewide and help the surrounding communities reduce their carbon footprint and improve energy efficiency.

This MOU will also create opportunities for local collaborations between military and civilian entities, including veteran-owned businesses, and streamline development of an energy efficient defense corridor that could cross from Watertown to Syracuse to Rome and beyond.

Effects of Regulations on the Authority

The Authority is subject to a variety of federal and state oversight bodies and/or regulatory regimes, including the U.S. Department of Energy, the Internal Revenue Service, FERC, EPA, the U.S. Army Corps of Engineers and various other agencies as well as the North American Electric Reliability Corporation. Changes to federal regulations, including through the issuance of executive orders, are continuous and ongoing. There can be no assurance that these regulations and policies, or the laws under which such regulations are promulgated, will not be changed in a manner that materially adversely affects the Authority's current business model and objectives by restricting or requiring certain activities or delaying the receipt of federal funds, including tax incentives and credits such as the IRA, subjecting the Authority to escalating costs, causing delays, or prohibiting certain activities completely.

Compliance with environmental laws and regulations can require the Authority to obtain and comply with a wide variety of environmental licenses, permits, inspections and other approvals and failure to comply with environmental regulations may result in the imposition of fines, penalties and injunctive measures affecting the Authority's operating assets. Also, the Authority may not be able to obtain or

maintain from time to time the required environmental regulatory approvals for their operating assets or development projects. Delays in obtaining any required environmental regulatory approvals, failure to obtain and comply with them or changes in environmental laws or regulations to more stringent compliance levels could, and are likely to, result in additional costs of operation for existing facilities or development of new facilities being prevented, delayed or subject to additional costs. The costs to comply with environmental laws and regulations or changes to environmental laws and regulations could require significant expenditures having a material effect on the operations, financial position and cash flows of the Authority. Management of the Authority cannot predict the potential impact, if any, of such changes in law or regulations on the Authority's future operations, financial position and cash flows.

Labor Contracts

NYPA reached an agreement with the International Brotherhood of Electrical Workers on a labor contract that covers over 550 represented employees at the Authority's Blenheim-Gilboa Pumped Storage Project, Frederick R. Clark Energy Center, Niagara Power Project, and St. Lawrence/FDR Power Project. This agreement, which is retroactive to April 1, 2022, runs through July 31, 2027. Also, an agreement was executed with the Utility Workers Union of America on a labor contract that covers over 20 represented employees at Zeltmann. This agreement, which is retroactive to January 1, 2023, runs through April 30, 2028.

The Canal Corporation reached an agreement with the Civil Service Employees Association Unit III on a labor contract that covers over 350 represented employees at the Canal Corporation. This agreement, which is retroactive to July 1, 2022, runs through June 30, 2027. In addition, the Canal Corporation reached an agreement with the Public Employees Federation on a labor contract that covers over 80 represented employees at the Canal Corporation. This agreement, which is retroactive to July 1, 2022, runs through June 30, 2027.

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

Commitments and Contingencies

The Authority's commitments and contingencies are more fully detailed in Note 19 "Commitments and Contingencies" of the notes to the Consolidated Financial Statements.

Canal Corporation

The Canal Corporation continues to require substantial operating and maintenance support and capital investment. The Canal Corporation's expenses are funded by transfers of funds from the Authority, any transfer of funds are subject to approval by the Authority's Trustees and compliance with the Authority's General Bond Resolution. Certain expenses eligible for reimbursement are reimbursed to the Authority by funds held in the Canal Development Fund maintained by the State Comptroller and the Commissioner of Taxation and Finance.

By resolution adopted on December 10, 2024, the Canal Corporation's Board of Directors adopted a budget for 2025-2028 that consisted of expenditures for operations and maintenance expenses and capital expenses. The Authority's budget and financial plan for 2025-2028 includes Canal-related operating expenditures averaging approximately $104 million per year and capital expenditures of

approximately $79 million per year to Revitalize the Canals (with a primary focus on maintaining and improving Canal infrastructure) and $3 million per year for Canal Development Fund expenses.

The 2024-2025 Enacted State Budget appropriated $50 million to the Authority for services, expenses, and indirect costs related to maintenance, repair, construction, reconstruction, development and preservation of the Canal System. $10 million, of the $50 million appropriated, was received in 2024 and has been accounted for in accordance with GAAP guidelines.

Contacting the Authority

This financial report is designed to provide our customers and other interested parties with a general overview of the Authority's finances. If you have any questions about this report or need additional financial information, contact the New York Power Authority, 123 Main Street, White Plains, New York 10601. Email: info@nypa.gov

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Consolidated Statements of Net Position
(In millions)

Consolidated Statements of Net Position

	December 31, 2024	December 31, 2023
Assets and Deferred Outflows		
Current assets:		
Cash and cash equivalents		
Unrestricted	$ 274	$ 310
Restricted	69	167
Capital Funds	82	3
Total Cash and cash equivalents	425	480
Investment in securities		
Unrestricted	946	969
Restricted	240	428
Capital Funds	453	136
Total Investment in securities	1,639	1,533
Receivables - customers	384	269
Materials and supplies:		
Plant and general	80	75
Fuel	51	51
Miscellaneous receivables and other	124	141
Total current assets	2,703	2,549
Noncurrent assets:		
Capital assets:		
Non-depreciable capital assets	1,362	1,028
Depreciable capital assets, net of accumulated depreciation	5,936	5,880
Total capital assets	7,298	6,908
Other long-term assets	1,099	896
Total noncurrent assets	8,397	7,804
Total assets	11,100	10,353
Deferred outflows of resources:		
Asset retirement obligation	17	19
Decrease in fair value of derivatives	20	40
Pensions	128	140
Postemployment benefits other than pensions	82	128
Total deferred outflows of resources	247	327
Total assets and deferred outflows of resources	$ 11,347	$ 10,680

See accompanying notes to the consolidated financial statements.

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Consolidated Statements of Net Position
(In millions)

	December 31, 2024	December 31, 2023
Liabilities, Deferred Inflows and Net Position		
Current liabilities:		
Accounts Payable and accrued liabilities	$ 857	$ 845
Short-term debt	438	227
Long-term debt due within one year	20	33
Total current liabilities	1,315	1,105
Noncurrent liabilities:		
Long-term debt:		
General Resolution:		
Senior Revenue bonds	1,805	1,519
Subordinated Notes	-	35
Separate Revenue Bond Obligation:		
SFP Bonds 2022	617	640
SFP Bonds 2023	750	751
Total long-term debt	3,172	2,945
Other noncurrent liabilities:		
Disposal of spent nuclear fuel	258	245
Relicensing	223	223
Other long-term liabilities	357	357
Total other noncurrent liabilities	838	825
Total noncurrent liabilities	4,010	3,770
Total liabilities	5,325	4,875
Deferred inflows of resources:		
Unearned revenue	27	45
Cost of removal obligations	476	435
Accumulated increase in fair value of derivatives	-	4
Pensions	66	11
Lease revenue	43	45
Postemployment benefits other than pensions	176	190
Total deferred inflows of resources	788	730
Net Position:		
Net investment in capital assets	3,463	3,361
Restricted	453	321
Unrestricted	1,318	1,393
Total net position	5,234	5,075
Total liabilities, deferred inflows of resources and net position	$ 11,347	$ 10,680

See accompanying notes to the consolidated financial statements.

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Consolidated Statements of Revenues, Expenses and Changes in Net Position
(In millions)

Consolidated Statements of Revenues, Expenses and Changes in Net Position

	Year Ended	
	December 31, 2024	December 31, 2023
Operating revenues:		
Power sales	$ 2,060	$ 1,773
Transmission	509	473
Transportation and delivery	810	747
Other	57	41
Total operating revenues	3,436	3,034
Operating expenses:		
Purchased power	678	605
Fuel oil and gas	214	176
Transportation and delivery	1,174	1,107
Operations and maintenance	771	723
Depreciation and amortization	353	307
Total operating expenses	3,190	2,918
Operating income	246	116
Nonoperating revenues, gains (losses) and (expenses):		
Investment income	72	84
Interest on long-term debt	(135)	(111)
Interest - other	(33)	(28)
Interest capitalized	52	58
Amortization of debt premium	5	1
Other	(48)	10
Total nonoperating expenses	(87)	14
Net income and change in net position	159	130
Net position, January 1	5,075	4,945
Net position, December 31	$ 5,234	$ 5,075

See accompanying notes to the consolidated financial statements.

NEW YORK POWER AUTHORITY

(*A Component Unit of the State of New York*)

Consolidated Statements of Cash Flows

(In millions)

Consolidated Statements of Cash Flows

	Year Ended	
	December 31, 2024	**December 31, 2023**
Cash flows from operating activities:		
Customer sales	$ 3,227	$ 3,045
Disbursements for:		
Purchased power	(685)	(601)
Fuel oil and gas	(200)	(192)
Transportation and delivery	(1,167)	(1,089)
Operations and maintenance	(763)	(742)
Net cash provided by operating activities	412	421
Cash flows from capital and related financing activities:		
Gross additions to capital assets	(676)	(699)
Proceeds from issuance of Green Bonds	513	751
Issuance costs paid on debt	(5)	(10)
Repayment/defeasance of bonds	(275)	(108)
Repayment of notes/bonds	(32)	(2)
Interest paid, net	(119)	(95)
Net cash used in capital and related financing activities	(594)	(163)
Cash flows from noncapital-related financing activities:		
Energy conservation program payments received from participants	255	334
Energy conservation program costs	(352)	(269)
Proceeds from issuance of commercial paper	273	138
Repayment of commercial paper	(62)	(91)
Interest paid on commercial paper	(13)	(6)
Margin Deposits with Brokers	16	37
Other	10	-
Net cash provided by noncapital-related financing activities	127	143
Cash flows from investing activities:		
Earnings received on investments	99	53
Purchase of investment securities	(2,347)	(4,550)
Maturities/sale of investment securities	2,248	4,223
Net cash used in investing activities	0	(274)
Net (decrease) increase in cash	(55)	127
Cash and cash equivalents, January 1	480	353
Cash and cash equivalents, December 31	425	480
Reconciliation to net cash provided by operating activities:		
Operating income	246	116
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in assets, deferred outflows, liabilities, and deferred inflows:		
Provision for depreciation and amortization	353	307
Net (increase) in miscellaneous prepayments and other	(52)	(49)
Net (increase) decrease in receivables and materials and supplies	(115)	109
Net (decrease) in accounts payable/accrued liabilities and other	(20)	(62)
Net cash provided by operating activities	$ 412	$ 421

See accompanying notes to the consolidated financial statements.

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Statements of Fiduciary Net Position (OPEB)

(In millions)

Statements of Fiduciary Net Position (OPEB)

	June 30, 2024	June 30, 2023
Assets:		
Cash and cash equivalents	$ 75	$ 56
Receivables:		
Due from broker for investments sold	34	17
Investment income	1	1
Total receivables	35	18
Investments at fair value:		
Domestic equity	220	171
International equity	94	89
Global Index Fund	170	190
International contrarian value fund	60	42
Real Estate (REIT)	42	39
Fixed Income	157	152
Total investments at fair value	743	683
Total assets	853	757
Liabilities:		
Payables:		
Accrued liability	17	10
Due to broker for investments purchased	6	-
Total liabilities	23	10
Net position available for postemployment benefits other than pensions	$ 830	$ 747

See accompanying notes (Note 13) to the consolidated financial statements.

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Statements of Changes in Fiduciary Net Position (OPEB)

(In millions)

Statements of Changes in Fiduciary Net Position (OPEB)

	June 30, 2024	June 30, 2023
Additions, gains and (losses):		
Employer contributions	$ 30	$ 30
Investment income:		
Net increase / (decrease) in fair value of investments	74	62
Interest and dividend income	13	12
Less: investment and administrative expenses	(4)	(10)
Net investment (loss)	83	64
Total additions, gains and (losses)	113	94
Deductions:		
Benefits payments	30	30
Total deductions	30	30
Changes in net position	83	64
Net position available for postemployment benefits other than pensions - beginning of year July of preceeding year	747	683
Net position available for postemployment benefits other than pensions - end of year June of reporting year	$ 830	$ 747

See accompanying notes (Note 13) to the consolidated financial statements.

Notes to the Consolidated Financial Statements

(1) General

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 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”), and has its principal office located at 30 South Pearl Street, Albany, New York 12207-3425. NYPA has three subsidiaries: the New York State Canal Corporation (“Canal Corporation”), NYPA Captive Insurance Company (“Captive”) and New York Renewable Energy Development Holdings Corporation (“NYREDHC”). NYPA, the Canal Corporation, Captive and NYREDHC are collectively referred to as the “Authority”. Except as otherwise noted, references to NYPA’s financial information reflect both NYPA and the Canal Corporation’s financial information. The financial information for the Captive and NYREDHC is stated separately.

The mission of 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.

NYPA has aligned its mission with the clean energy goals of New York State set forth in the New York State Climate Leadership and Community Protection Act (“CLCPA”) enacted in 2019 and the Accelerated Renewable Energy Growth and Community Benefit Act enacted in 2020 (the “Renewable Energy Act”).

NYPA generates, transmits, purchases, and sells electric power and energy as authorized by law. NYPA owns and operates five major generating facilities, seven small natural gas power plants (“SNGPPs”), including four dual units, and four small hydroelectric facilities with a total installed capacity of approximately 6,000 MW, and approximately 1,550 circuit miles of transmission lines, including major 765 kV and 345 kV transmission facilities. NYPA also owns and operates one utility-scale 20 MW battery energy storage system. NYPA’s five major generating facilities consist of two large hydroelectric facilities (Niagara and St. Lawrence-FDR), a large pumped-storage hydroelectric facility (Blenheim-Gilboa), the Eugene W. Zeltmann (Zeltmann or 500-MW Plant) combined cycle electric generating plant located in Queens, New York and the Richard M. Flynn combined cycle plant located in Holtsville, in Long Island, New York. NYPA’s customers include municipal and rural electric cooperatives located throughout the State, local governments, investor-owned utilities (“IOUs”), high load factor industrial customers, commercial/industrial and not-for-profit businesses, various public corporations located within the metropolitan area of The City of New York (the “City”), including the City, and entities in certain neighboring states. NYPA is a transmission-owning member of the New York Independent System Operator, Inc. (“NYISO”) which is a not-for-profit corporation that operates the State’s bulk electricity grid, administers the State’s wholesale electricity markets and provides comprehensive reliability planning for the State’s bulk electricity system. In addition, NYPA sells and purchases capacity, energy, and ancillary services in the NYISO wholesale energy markets.

Legislation enacted on April 4, 2016 (the “Canal Transfer Legislation”) provided for (1) the transfer, effective January 1, 2017, of the Canal Corporation from the Thruway Authority to NYPA, and (2) as of January 1, 2017, NYPA’s assumption from the Thruway Authority of powers and duties relating to a 524-mile canal system consisting of the Erie, Champlain, Oswego, and Cayuga-Seneca canals (the “Canal System”) and jurisdiction over the Canal System and related assets, equipment and property

in connection with the planning, development, construction, reconstruction, maintenance, and operation of the Canal System, which NYPA is authorized to exercise through the Canal Corporation. The Canal Corporation is responsible for the Canal System.

Legislation enacted in May of 2022 (Chapter 193 of the Laws of 2022) amended the State Insurance Law to provide NYPA with the authority to form a pure captive insurance company enabling it to effectively provide NYPA and its subsidiaries coverage for risks that are not currently insured, not insurable on the traditional commercial markets, or prohibitively expensive to insure through the commercial markets and to provide NYPA with related tax exemptions. In May 2023, Captive was established as a wholly owned subsidiary of NYPA. Refer to Note 17 for further information on Captive.

The 2023-2024 Enacted State Budget amended the Act to, among other things, expand NYPA's authority to plan, design, develop, finance, construct, own, operate, maintain, and improve renewable energy generation projects. 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 December 31, 2024, NYPA transferred $100 million to NYREDHC to undertake the purposes of its Expanded Authority.

(2) NYPA (includes Canals), SFP, Captive and NYREDHC Financial Information

A. Statements of Net Position (In millions)

	NYPA		SFP		Captive		NYREDHC		Total	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
Current assets	$ 2,307	$ 1,959	$ 174	$ 480	$ 122	$ 110	$ 100	$ -	$ 2,703	$ 2,549
Capital assets	5,787	5,721	1,511	1,187	-	-	-	-	7,298	6,908
Other noncurrent assets	1,064	879	35	17	-	-	-	-	1,099	896
Total assets	9,158	8,559	1,720	1,684	122	110	100	-	11,100	10,353
Deferred outflows of resources	247	327	-	-	-	-	-	-	247	327
Total assets and deferred outflows of resources	$ 9,405	$ 8,886	$ 1,720	$ 1,684	$ 122	$ 110	$ 100	$ -	$ 11,347	$ 10,680
Current liabilities	$ 1,279	$ 1,023	$ 31	$ 78	$ 5	$ 4	$ -	$ -	1,315	1,105
Noncurrent liabilities	2,643	2,379	1,367	1,391	-	-	-	-	4,010	3,770
Total liabilities	3,922	3,402	1,398	1,469	5	4	-	-	5,325	4,875
Deferred inflows of resources	788	730	-	-	-	-	-	-	788	730
Net position	4,695	4,754	322	215	117	106	100	-	5,234	5,075
Total liabilities, deferred inflows of resources and net position	$ 9,405	$ 8,886	$ 1,720	$ 1,684	$ 122	$ 110	$ 100	$ -	$ 11,347	$ 10,680

NEW YORK POWER AUTHORITY

(A Component Unit of the State of New York)

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

B. Statements of Revenues, Expenses and Changes in Net Position (In millions)

	NYPA		SFP		Captive		NYREDHC		Total	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
Operating revenues	$ 3,237	$ 2,935	$ 192	$ 97	$ 7	$ 2	$ -	$ -	$ 3,436	$ 3,034
Operating expenses:										
Purchased power	678	605	-	-	-	-	-	-	678	605
Fuel oil and gas	214	176	-	-	-	-	-	-	214	176
Transportation and delivery	1,174	1,107	-	-	-	-	-	-	1,174	1,107
Operations and maintenance	744	707	27	16	-	-	-	-	771	723
Depreciation and amortization	339	299	14	8	-	-	-	-	353	307
Total operating expenses	3,149	2,894	41	24	-	-	-	-	3,190	2,918
Operating income	88	41	151	73	7	2	-	-	246	116
Nonoperating revenues gains	64	81	17	9	4	4	-	-	85	94
Nonoperating expenses	111	51	61	29	-	-	-	-	172	80
Net income	$ 41	$ 71	$ 107	$ 53	$ 11	$ 6	$ -	$ -	$ 159	$ 130

C. Statements of Cash Flow (In millions)

	NYPA		SFP		Captive		NYREDHC		Total	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
Net cash provided by operating activities	$ 279	$ 339	$ 122	$ 81	$ 11	$ 1	$ -	$ -	$ 412	$ 421
Net cash provided by/(used in) capital and related financing activities	(149)	(525)	(449)	262	-	100	4	-	(594)	(163)
Net cash provided by non-capital related activities	127	143	-	-	-	-	-	-	127	143
Net cash provided by/(used in) investing activities	(212)	44	244	(248)	(32)	(70)	-	-	-	(274)
Net increase/(decrease) in cash	45	1	(83)	95	(21)	31	4	-	(55)	127
Cash and cash equivalents, January 1	315	314	134	39	31	-	-	-	480	353
Cash and cash equivalents, December 31	$ 360	$ 315	$ 51	$ 134	$ 10	$ 31	$ 4	$ -	$ 425	$ 480

(3) Separately Financed Projects (“SFP”)

Overview

NYPA’s General Resolution Authorizing Revenue Obligations, dated February 28, 1998, as amended and supplemented, (the “General Bond Resolution”) provides for authorization to the Authority to issue separately financed project bonds through a separate bond resolution.

On December 7, 2021, NYPA adopted its “General Resolution Authorizing Transmission Project Revenue Obligations” (as amended and supplemented, the “Transmission Bond Resolution”). The Transmission Bond Resolution authorizes the issuance of Obligations to finance the costs of certain projects, facilities, systems, equipment, and/or materials related to or necessary or desirable in connection with the transmission or distribution of electric energy, whether owned or leased jointly or singly by NYPA, including any transmission capacity in which NYPA has an interest or which it has a contractual right to use, as authorized by the Act or by other applicable State statutory provisions which have been designated by NYPA pursuant to a supplemental resolution as a Separately Financed Project under the General Bond Resolution and a transmission project for purposes of the Transmission Bond Resolution.

In January 2022, the Authority’s Trustees authorized the issuance of Green Transmission Project Revenue Bonds, Series 2022A (the “2022A Bonds”) which were issued pursuant to the Transmission Bond Resolution in an aggregate principal amount of approximately $608 million during April of 2022. The proceeds from the issuance of the 2022A Bonds are being used to fund capital and other expenditures related to the Smart Path and Central East Energy Connect (“CEEC”) transmission construction projects; reimburse expenses related to such projects and pay financing and other costs relating to the issuance of the 2022A Bonds.

On November 16, 2023, NYPA issued $734 million of Green Transmission Project Revenue Bonds, Series 2023A (the “2023A Bonds”) at a premium. Proceeds of the 2023A Bonds, together with other funds being provided by NYPA, are being used to (i) pay for capital expenditures related to the Smart Path Connect Project (“SPC Project”), including reimbursement for prior capital spending, (ii) fund the 2023A debt service reserve fund, (iii) pay capitalized interest on the 2023A Bonds through November 15, 2025, (iv) fund an operating reserve account and (v) pay the costs of issuance. The CEEC, Smart Path, and Smart Path Connect Projects are collectively referred to as “Separately Financed Projects” or “SFP”.

The 2023A Bonds are supported by the 2023A Debt Service Reserve Fund which, at the time of issuance of the 2023A Bonds, was funded with a Municipal Bond Debt Service Reserve Insurance Policy issued by Assured Guaranty Municipal Corporation (“AGM”) in the amount of $46 million, which is equal to the 2023A Debt Service Reserve Requirement.

The Series 2022A and 2023A Transmission Resolution Revenue Bonds, together with any other bonds issued under the Transmission Bond Resolution ("Transmission Resolution Revenue Bonds") are neither payable from nor secured by revenues pledged directly or indirectly under the General Bond Resolution. Owners of the Transmission Resolution Revenue Bonds will neither have any rights to nor be secured by any NYPA revenues pledged to the payment of obligations issued under the General Bond Resolution. Transmission Resolution Revenue Bonds are limited obligations of NYPA payable solely from and secured by the SFP Transmission Trust Estate pledged under the Transmission Bond Resolution. Transmission Resolution Revenue Bonds bondholders have a lien only on revenue streams generated by the assets that are funded by the bond proceeds.

Payments are received by NYPA from NYISO on account of SFP Transmission Revenues and deposited in an allocation account, established pursuant to a depository trust agreement (the "Depository Trust Agreement") by and between NYPA and a bank or trust company designated by NYPA. Amounts held in the Allocation Account constituting SFP Transmission Revenues are subject to the lien created by the Transmission Bond Resolution.

The SFP Transmission Revenues, once identified, are transferred to a Revenue account and subject to withdrawal and deposit in priority, as follows:

1. Operating Fund to cover SFP Transmission Operating Expenses expected to be payable in the succeeding calendar month less amounts held in the Operating Fund.

2. Debt Service Fund, in the amount payable in the succeeding calendar month, represents Debt Service on SFP Transmission Obligations. As of December 31, 2024, there is a balance of $18 million in the Debt Service Fund with $13 million representing Capitalized Interest from the proceeds of the Series 2023A Bonds.

3. Operating Reserve represents accounts that fund any shortfalls in the Operating Reserve Account. The reserve should be in the amount of 50% of the succeeding calendar year's operation and maintenance budget. The balance as of December 31, 2024, was $22 million.

4. Debt Service Reserve Fund represents amount that funds any shortfall in accordance with the Debt Service Reserve Fund Requirement. For the 2022A and 2023A Bonds, this account was funded by depositing AGM insurance policies and is not funded by any SFP Transmission Revenues. For the 2022A and 2023A bonds, the AGM issued a policy in the amount of $35 million and $46 million, respectively, which is 125% of the average annual debt service.

5. Payment of any subordinated indebtedness, which currently there is none.

6. Capital fund for any expected capital improvements.

Any remaining values after each fund is adequately funded, per the Transmission Bond Resolution, are eligible for distribution to the General Bond Resolution pending an annual Debt Service Coverage ratio test and other required certifications. The SFP Transmission Project fees, rates, rents, charges, and surcharges must at least equal 120% of Debt Service payable in the most recently completed fiscal year and in the most recently completed 12 calendar months period ending on the last day of the ninth month of such fiscal year, net of all O&M and required payments. If such a test is not met, the cash is unavailable to the General Bond Resolution bondholders. NYPA was in compliance of all necessary criteria for distribution in 2024, and on December 20, 2024, a $23 million distribution was made from SFP to the Authority. For 2024, $30 million in capitalized interest was funded with the proceeds from Series 2023A Bonds. This amount has been subtracted from the total debt service in the calculation of the Transmission Bond Resolution debt service coverage ratio, resulting in a ratio of 3.54 for the bond year ending November 15, 2024.

For the issuance of any additional Transmission Resolution Revenue Bonds, NYPA will be required to satisfy additional bond test.

The CEEC Project was placed in service in December 2023. The project is currently in the closeout phase and site restoration is ongoing.

As of December 31, 2023, all 6 segments for Smart Path have been placed into Electric Plant In Service (“EPIS”). The project is currently in the closeout phase and site restoration is ongoing.

As of December 31, 2024, NYPA has capital spend of $746 million (excluding capitalized interest) for the Smart Path Connect project and completed 38 miles of transmission line upgrades and energized breakers at the Ryan and Patnode substations.

(4) Summary of Significant Accounting Policies

(a) *Basis of Reporting*

The operations of NYPA and its subsidiaries, the Canal Corporation the Captive, and NYREDHC, all blended component units, are presented as an enterprise fund following the accrual basis of accounting to recognize the flow of economic resources. Accordingly, revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which they are incurred. The accounts and transactions of the Canal Corporation, the Captive and NYREDHC are included in the consolidated financial statements and notes to the Consolidated Financial Statements. All significant transactions between NYPA, the Canal Corporation, the Captive and NYREDHC have been eliminated.

The Authority complies with applicable pronouncements of the Governmental Accounting Standards Board (“GASB”). In accordance with Governmental Accounting Standards Board Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB, and AICPA Pronouncements*, (“GASB No. 62”) the Authority applies all authoritative pronouncements applicable to nongovernmental entities (i.e., Accounting Standards Codification (“ASC”) of the Financial Accounting Standards Board) that do not conflict with GASB pronouncements.

(b) *Regulatory Accounting*

The Authority’s Trustees have broad rate-setting authority for its power sales agreements with customers. The sale of transmission service over NYPA’s facilities is provided pursuant to NYISO tariffs and under contracts that pre-dated the existence of the NYISO. NYPA files its transmission system revenue requirement with the Federal Energy Regulatory Commission (“FERC”) for inclusion in the NYISO’s open access tariff.

The Authority accounts for its regulated operations under the provisions of GASB No. 62, paragraphs 476-500. These provisions recognize the economic ability of regulators, through the ratemaking process, to create future economic benefits and obligations affecting rate-regulated entities. Accordingly, the Authority records these future economic benefits and obligations as regulatory assets and regulatory liabilities, respectively. Regulatory assets represent probable future revenues associated with previously incurred costs that are expected to be recovered from customers. Regulatory liabilities represent amounts that are collected from customers through the ratemaking process associated with costs to be incurred in future periods. Based on the action of the Authority's Trustees, the Authority believes the future collection of the costs held over through regulatory assets is probable. For regulatory assets see Note 4(n) "Summary of Accounting Policies – Other Long-Term Assets" of the notes to the consolidated financial statements.

(c) ***Estimates***

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(d) ***Capital Assets***

Capital assets are recorded at original cost and consist of amounts expended for labor, materials, services, and indirect costs to license, construct, acquire, complete, and place in operation the projects of the Authority. Interest on amounts borrowed to finance construction of the Authority's projects charged to the project prior to completion is recorded as a regulatory asset. The costs of current repairs are charged to operating expenses, and betterments are capitalized. The cost of capital assets retired less salvage is charged to accumulated depreciation. Depreciation of capital assets is generally provided on a straight-line basis over the estimated lives of the various classes of capital assets.

The related depreciation provisions at December 31, 2024 and 2023 expressed as a percentage of average depreciable capital assets on an annual basis are:

	Average depreciation rate	
	2024	**2023**
Type of plant:		
Production		
Hydro	2.3 %	2.3 %
Gas turbine/combined cycle	2.2	2.3
Transmission	2.3	2.0
General	5.5	4.8
Energy Storage	10.0	10.0
Canal system	3.9	3.9

(e) ***Asset Retirement and Cost of Removal Obligations***

The Authority has recorded a liability at fair value to recognize legal obligations for asset retirements in the period incurred and to capitalize the cost by increasing the carrying amount of the related long-lived asset. The Authority determined that it had legal liabilities

for the retirement of certain SNGPPs in New York City and, accordingly, has recorded a liability for the retirement of these assets. In connection with these legal obligations, the Authority has also recognized a liability for the remediation of certain contaminated soil discovered during the construction process. The Authority records asset retirement obligations ("ARO") in accordance with GASB Statement No. 83 ("GASB No. 83"), *Accounting for Certain Asset Retirement Obligations*.

The Authority also applies GASB Statement No. 49 ("GASB No. 49") *Accounting and Financial Reporting for Pollution Remediation Obligations*, to ARO involving pollution remediation obligations, which upon the occurrence of any one of five obligating events as stated in GASB No. 49, requires an entity to estimate the components of expected pollution remediation outlays and determine whether outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired.

In addition to ARO, the Authority has other cost of removal obligations that are being collected from customers and accounted for under the provisions of GASB No. 62, paragraphs 476-500. These cost of removal obligations are reflected in deferred inflows of resources in the statement of net position.

ARO amounts included in deferred outflows and cost of removal obligation amounts included in deferred inflows are as follows:

	ARO Amounts (deferred outflow)	Cost of removal obligation (deferred inflow)
	(in millions)	
Balance - December 31, 2023	$ 19	$ 435
Other Expense	(2)	41
Balance - December 31, 2024	$ 17	$ 476

(f) ***Long-Lived Assets***

The Authority applies GASB Statement No. 42 ("GASB No. 42"), *Accounting and Financial Reporting for Impairment of Capital Assets*, and for Insurance Recoveries, which states that asset impairments are generally recognized only when the service utility of an asset is reduced or physically impaired. There were no material impairments during 2024 and 2023.

GASB No. 42 states that asset impairment is a significant, unexpected decline in the service utility of a capital asset. The service utility of a capital asset is the usable capacity that at acquisition was expected to be used to provide service, as distinguished from the level of utilization which is the portion of the usable capacity currently being used. Decreases in utilization and the existence of or increases in surplus capacity that are not associated with a decline in service utility are not considered to be impairments.

(g) ***Leases***

The Authority applies GASB Statement No. 87 ("GASB No. 87"), *Leases,* which establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Refer to Note 19(e) on Leases.

(h) ***Subscription-based information Technology Arrangements ("SBITA")***

During 2023, the Authority adopted GASB Statement No. 96 ("GASB No. 96"), *Subscription-Based Information Technology Arrangements ("SBITA").* GASB No. 96 requires recognition of certain subscription assets and liabilities for SBITA which were previously either capitalized or expensed. It establishes that an SBITA results in a right-to-use subscription asset and a corresponding subscription liability. Refer to Note 19(f) on SBITA.

(i) ***Cash, Cash Equivalents, and Investments***

Cash includes cash and cash equivalents and short-term investments with maturities, when purchased, of three months or less. The Authority accounts for investments at their fair value. Fair value is determined using quoted market prices. Investment income includes changes in the fair value of these investments. Realized and unrealized gains and losses on investments are recognized as investment income in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

(j) ***Derivative Instruments***

The Authority uses financial derivative instruments to manage the impact of energy and capacity prices, fuel cost changes, non-energy commodities, and interest rates when applicable, on its earnings and cash flows. The Authority recognizes the fair value of all financial derivative instruments as either an asset or liability on its consolidated statement of net position with the offsetting gains or losses recognized in earnings or deferred charges. The Authority applies GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which establishes accounting and reporting requirements for derivative instruments (see Note 10 "Risk Management and Commodity Hedging Activities" of the Notes to the Consolidated Financial Statements).

(k) ***Accounts Receivable***

Accounts receivables are classified as current assets and are reported net of an allowance for uncollectible amounts.

(l) ***Materials and Supply Inventory***

Material and supplies, net of any obsolete/slow-moving inventory provisions, are valued at weighted average cost and are charged to expense during the period in which the material or supplies are used.

(m) ***Debt Refinancing Charges***

Debt refinancing charges, representing the difference between the reacquisition price and the net carrying value of the debt refinanced, are amortized using the interest method over the life of the new debt or the old debt, whichever is shorter, in accordance with GASB Statement No. 23, *Accounting and Financial Reporting for Refunding's of Debt Reported by Proprietary Activities.* See Note 8 "Long-Term and Short-Term Debt" of the notes to the consolidated financial statements.

(n) ***Other Long-Term Assets***

Other long-term assets, as of December 31, 2024 and 2023, consist of the following:

	December 31,	
	2024	**2023**
	(in millions)	
Other long-term assets:		
Regulatory assets (a):		
Allowance for funds used during construction (b)	$193	$145
Other regulatory assets	43	44
Total regulatory assets	236	189
Energy efficiency program costs (c)	284	229
Other long-term receivables	111	116
Transmission line interconnection costs	149	167
Other postemployment employee benefits	213	112
Lease receivable	50	51
Other	56	32
Total other long-term assets	$1,099	$896

(a) Regulatory assets reflect previously incurred costs that are expected to be recovered from customers through the ratemaking process.

(b) This amount includes interest capitalized net of depreciation. For 2024, $52 million of interest was capitalized, and for 2023, $58 million of interest was capitalized.

(c) The Authority offers energy efficiency services to New York State public and other statutorily eligible entities to reduce energy consumption and cut energy costs. Energy efficiency program costs will be recovered from certain customers through the terms of contracts. As of December 31, 2024, the outstanding balance for energy efficiency and clean energy technologies projects in the Authority's balance sheet was a total of $580 million, with $161 million of the loan balance (includes $50 million of short-term receivable and $111 million of other long-term assets), $135 million of customer receivables, and $284 million of energy efficiency program cost that will be billed to the customers (reflected in the Other Long-term assets). As of December 31, 2023, the outstanding balance for energy efficiency and clean energy technologies projects in the Authority's balance sheet was a total of $476 million, with $145 million of the loan balance (includes $29 million of short-term receivable and $116 million of other long-term assets), $102 million of customer receivables, and $229 million of energy efficiency program cost that had to be billed to the customers (reflected in the Other Long-term assets).

(o) ***Other Long-Term Liabilities***

On December 31, 2024, the Authority has other long-term liabilities of $357 million which include pension liability of $120 million, compensated absences accrual of $81 million, Asset Retirement Obligations of $46 million, and others of $110 million.

On December 31, 2023, the Authority had other long-term liabilities of $357 million which include pension liability of $175 million, compensated absences accrual of $60 million, Asset Retirement Obligations of $44 million, and others of $78 million.

(p) ***Net Position***

Net Position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources and is classified into three components:

a. Net investment in capital assets – This consists of capital assets (including right to use lease assets and right to use subscription assets), net of depreciation reduced by related outstanding debt and accounts. This indicates that these assets are not accessible for other purposes.

b. Restricted – This represents restricted assets reduced by related liabilities and deferred inflows of resources that are not accessible for general use because their use is subject to restrictions enforceable by third parties.

c. Unrestricted – This represents the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the components noted above and that are available for general use.

(q) ***Investment and Net Position classification***

Investments

Investments as of December 31, 2024, and for the preceding year 2023 of $1,639 million, and $1,533 million, respectively, were in various securities considered as current assets.

Net position

Net Position as of December 31, 2024, and for the preceding year 2023, were $5,234 million and $5,075 million, respectively. These amounts included Net Investments in capital assets of $3,463 million for 2024 and $3,361 million for 2023. Unrestricted assets were $1,318 million for 2024 and $1,393 million for 2023. Restricted assets amounted to $453 million for 2024 and $321 million for 2023, as the SFP and Captive net position is considered restricted on a consolidated basis.

(r) ***Operating Revenues***

The customers served by NYPA, and the rates paid by such customers vary with NYPA's facilities designated to serve such loads. These customers are served under contracts and tariffs approved by the Authority's Trustees.

The principal operating revenues are generated from the sale, transmission, transportation and delivery of power. Revenues are recorded when power is delivered, or service is provided. Customers' meters are read, and bills are rendered monthly. Transportation and delivery of power charges are for costs the Authority incurred for the transmission and/or delivery of power and energy to customers over transmission lines owned by other utilities. No one customer represents more than 10% of revenue from own generation revenue.

In addition to contractual sales to customers, NYPA also sells power into an electricity market operated by the NYISO. These sales are affected by market prices and are not subject to rate regulation by the Authority's Trustees.

New York Independent System Operator ("NYISO")

NYPA is a member and a customer of the NYISO. The NYISO schedules the use of the bulk transmission system in the State, which normally includes all of NYPA's transmission facilities, and collects ancillary services, losses, and congestion fees from customers. In addition, NYPA schedules power from its generating facilities in conjunction with the NYISO. The NYISO coordinates the reliable dispatch of power and operates a market for the sale of electricity and ancillary services within the State.

Based upon NYPA's scheduled customer power needs and available electricity generated by NYPA's operating assets, the Authority buys and sells energy in an electricity market operated by the NYISO. A significant amount of NYPA's energy and capacity revenues result from sales of NYPA's generation into the NYISO market. A significant amount of NYPA's operating expenses consists of various NYISO purchased power charges in combination with generation-related fuel expenses.

(s) ***Operating Expenses***

The Authority's operating expenses include fuel, operations, and maintenance including wages and benefits, depreciation, purchased power costs, and other expenses related to the sale of power. Energy costs are charged to expenses as incurred.

Purchased power costs include capacity, energy, and ancillary service purchases made in the wholesale market on behalf of its customers (except for those made through previously approved purchased power agreements). Transportation and delivery expenses are based on contractual and/or tariff rates of the service provider and are recovered through pass-through provisions in customer contracts.

Right-to-use lease assets and leasehold improvements recognized on account of the implementation of GASB No. 87 are being amortized over the lesser of the life of the assets or the term of the lease, using the straight-line method.

Right-to-use subscription assets recognized on account of the implementation of GASB No. 96 are being amortized over the subscription term, using the straight-line method.

(t) ***Pension Plans***

The Authority is a cost-sharing employer that participates in the New York State and Local Employees Retirement System ("NYSLERS"), which is a cost-sharing multiple-employer plan in which the participating government employers pool their assets and their obligations to provide defined benefit pensions. The plan assets of this type of plan can be used to pay the pensions of the retirees of any participating employer. The amounts reported by the Authority for its proportionate share of the net pension liability, pension expense, and deferred outflows and deferred inflows have been provided by the New York State and Local Employees Retirement System to employers participating in the NYSLERS in accordance with Statement No. 68, *Accounting and Financial Reporting for Pensions*, and have been determined on the same basis as reported by the NYSLERS. See Note 12 "Pension Plans" of the notes to the consolidated financial statements.

(u) ***Postemployment Benefits Other Than Pensions (OPEB)***

NYPA provides certain health care and life insurance benefits for eligible retired employees and their dependents under a single employer noncontributory (except for certain optional life insurance coverage) health care plan (Authority OPEB Plan). NYPA has an established trust for its OPEB obligations (OPEB Trust) that is separate from NYPA and is held by an independent custodian for the exclusive benefit of the OPEB Trust beneficiaries and not

of NYPA. The ownership of the OPEB Trust assets is held by the independent custodian at all times and the OPEB Trust assets are not considered funds or assets of NYPA for any purpose. All the OPEB Trust assets are irrevocably dedicated to and are used for the exclusive purpose of, making payments of benefits to or for the benefit of NYPA OPEB Plan beneficiaries and for paying administrative expenses of NYPA OPEB Plan and the OPEB Trust and will not be available to any creditors of NYPA. The OPEB Trust does not issue a stand-alone financial report and its financial statements are reported as a fiduciary fund in the Authority's financial report.

The Canal Corporation provides health care and death benefits for eligible retired employees. Substantially all employees may become eligible for these benefits if they reach normal retirement age while working for the Canal Corporation. The Canal Corporation participates, pursuant to the provision of Section 163(4) of the New York State Civil Service Law, in the New York State Health Insurance Program ("NYSHIP"). NYSHIP does not issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the plan.

The Authority's net OPEB liability was measured as of June 30, 2024 and June 30, 2023 for the 2024 and 2023 financial statements, respectively. Actuarial valuations are performed every two years. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the OPEB Trust and additions to/deductions from OPEB Trust's fiduciary net position have been determined on the same basis as they are reported by the Authority OPEB Plan as of the same measurement date. For this purpose, the Authority OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except investments that have a maturity at the time of purchase of one year or less, which are reported at cost.

(v) ***Accounting Pronouncements***

GASB issued GASB Statement No. 93 ("GASB No. 93") *Replacement of Interbank Offered Rates*, which originally had an effective date for reporting periods beginning after June 15, 2020. This effective date was postponed to periods beginning after June 15, 2021, due to the issuance of GASB No. 95. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR ceased to exist effective June 30, 2023, prompting governments to amend or replace financial instruments to replace LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. GASB No. 93's objective is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The Authority, based on its evaluation, believes GASB No. 93 has no material impact on its consolidated financial statements.

GASB issued GASB Statement No. 94 ("GASB No. 94"), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which was effective for fiscal years beginning after June 15, 2022. GASB No. 94 governs transactions wherein a government and another entity (government or private) enter into an arrangement wherein the other entity is given rights to use an underlying capital asset to provide public service for a determined amount of time, in exchange for consideration. The Authority, based on its evaluation, believes GASB No. 94 has no material impact on its consolidated financial statements.

GASB issued GASB Statement No. 96 ("GASB No. 96"), *Subscription-Based Information Technology Arrangements*, which was effective for reporting periods beginning after June

15, 2022. GASB No. 96 requires recognition of certain subscription assets and liabilities for Subscription-based information Technology Arrangements ("SBITA") which were previously either capitalized or expensed. GASB No. 96 defines a subscription-based technology arrangement as a contract that conveys control of the right to use a vendor's software, alone or in combination with tangible capital assets. It establishes that an SBITA results in a right-to-use subscription asset and a corresponding subscription liability. The Authority adopted GASB No. 96 on January 1, 2023. Refer to Note 19(f) of notes to the consolidated financial statements, for the impact of SBITA on the Authority's financial statements.

GASB issued GASB Statement No.99 ("GASB No. 99"), *Omnibus 2022*, which was partly effective for reporting periods beginning after June 15, 2022, and partly effective for reporting periods beginning after June 15, 2023. The primary objective of this statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (a) practice issues that have been identified during the implementation and application of certain GASB Statements and (b) accounting and financial reporting for financial guarantees. Based on its evaluation, the Authority believes GASB No. 99 has no material impact on its consolidated financial statements.

GASB issued GASB Statement No. 100 ("GASB No. 100"), *Accounting Changes and Error Corrections*, which was effective for reporting periods beginning after June 15, 2023. The primary objective of this Statement is to enhance the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Based on its evaluation, the Authority believes GASB No. 100 has no material impact on its consolidated financial statements.

GASB issued GASB Statement No. 101 ("GASB No. 101"), *Compensated Absences*, which was effective for reporting periods beginning after December 15, 2023. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Authority adopted GASB No. 101 in 2024 and reflects its impact in the consolidated financial statements.

(5) Power Authority's Bond Resolutions and Related Matters

On February 24, 1998, NYPA adopted its "General Resolution Authorizing Revenue Obligations" (as amended and supplemented, the "General Bond Resolution"). The General Bond Resolution covers all of NYPA's projects, which it defines as any project, facility, system, equipment or material related to or necessary or desirable in connection with the generation, production, transportation, transmission, distribution, delivery, storage, conservation, purchase or use of energy or fuel, whether owned jointly or singly by NYPA, including any output in which NYPA has an interest authorized by the Act or by other applicable State statutory provisions, provided, however, that the term "Project" shall not include any Separately Financed Project as that term is defined in the General Bond Resolution. NYPA has covenanted with bondholders under the General Bond Resolution that at all times NYPA shall maintain rates, fees, or charges, and any contracts entered into by NYPA for the sale, transmission, or distribution of power shall contain rates, fees or charges sufficient together with other monies available therefore (including the anticipated receipt of proceeds of sale of Obligations, as defined in the General Bond Resolution, issued under the General Bond Resolution or other bonds, notes or other obligations or evidences of indebtedness of NYPA that will be used to pay the principal of Obligations issued under the General Bond Resolution in anticipation of such receipt, but not including any anticipated or actual proceeds from the sale of any Project), to meet the financial requirements of the General Bond Resolution. Revenues of NYPA (after deductions for operating expenses and reserves, including reserves for working capital, operating expenses, or compliance purposes) are applied first to the payment of, or accumulation as a reserve for payment of, interest on and the principal or redemption price of Obligations issued under the General Bond Resolution and the payment of Parity Debt issued under the General Bond Resolution.

The General Bond Resolution also provides for withdrawal for any lawful corporate purpose as determined by NYPA, including but not limited to the retirement of Obligations issued under the General Bond Resolution, from amounts in the Operating Fund in excess of the operating expenses, debt service on Obligations and Parity Debt issued under the General Bond Resolution, and subordinated debt service requirements.

***Collateral* -** Under NYPA's General Bond Resolution, a Trust Estate was created and pledged for the payment of the principal and redemption price of, and interest on, NYPA's Obligations issued under the General Bond Resolution, and, on a parity basis, other Parity Debt as defined in the General Bond Resolution. NYPA's subordinated debt, including the Commercial Paper Notes, loans issued under the 2019 Revolving Credit Agreement and 2020 Hybrid Credit Agreement described below, the Extendible Municipal Commercial Paper Notes, are not Obligations under the General Bond Resolution but share a subordinated lien in the Trust Estate. The Trust Estate means, collectively: (i) all Revenues (as defined in the General Bond Resolution, which excludes revenues from Separately Financed Projects) of NYPA; (ii) the proceeds of the sale of Obligations until expended for the purposes authorized in the supplemental resolution authorizing the issuance of such Obligations; (iii) all funds, accounts, and subaccounts established by the General Bond Resolution, including investment earnings thereon; and (iv) all funds, money, and securities and any and all other rights and interests in property, whether tangible or intangible, conveyed as and for additional security pursuant to the General Bond Resolution by NYPA, or by anyone on its behalf, or with its written consent, to the Trustee.

***Events of Default/Termination* -** Pursuant to the General Bond Resolution, upon an Event of Default so long as such Event of Default shall not have been remedied, either the Trustee or the owners of 25% in principal amount of the Obligations then outstanding may declare the principal and accrued interest on all Obligations due and payable immediately.

Under the 2019 Revolving Credit Agreement ("2019 RCA") supporting NYPA's Commercial Paper Series 1, Series 2 and Series 3A, in the case of an Event of Default (as defined in the 2019 RCA), the lenders holding 66 2/3% of the commitments thereunder will be able to: terminate their commitments; direct NYPA to cease issuing Commercial Paper Notes; and declare the principal and accrued interest on obligations under the 2019 RCA due and immediately payable.

Under the 2020 Revolving Credit Agreement and 2020 Note Purchase Agreement (together, the "2020 Hybrid Credit Agreement") supporting NYPA's Commercial Paper Notes Series 3B and 4 and/or Direct Purchase Note(s), in the case of an Event of Default (as defined in the 2020 Hybrid Credit Agreement), the sole lender under the 2020 Hybrid Credit Agreement holding 100% of the commitment thereunder will be able to: terminate its commitment; direct NYPA to cease issuing Commercial Paper Notes; and declare the principal and accrued interest on obligations under the 2020 Hybrid Credit Agreement due and immediately payable. There were no events of default during 2024 and 2023.

Transmission Bond Resolution Related Matters (SFP)

Collateral - Under NYPA's Transmission Bond Resolution, a Trust Estate was created and pledged for the payment of the principal and redemption price of, and interest on, the SFP Obligations issued under the Transmission Bond Resolution, and on a parity basis, other Parity Debt as defined in the Transmission Bond Resolution. The Trust Estate means, collectively: (i) all SFP Transmission Revenues; (ii) the proceeds of the sale of SFP Transmission Obligations until expended for the purposes authorized by Supplemental Resolution authorizing such SFP Transmission Obligations; (iii) all funds, accounts, and subaccounts established by the Resolution, including investment earnings thereon; and (iv) all funds, money, and securities and any and all other rights and interests in property, whether tangible or intangible, from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned, or transferred as and for additional security hereunder for the SFP Transmission Obligations by NYPA, or by anyone on its behalf, or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times, and to hold and apply the same subject to the terms hereof.

(6) Cash and Investments

Investment of the Authority's funds is administered in accordance with the applicable provisions of the General Bond Resolution and the Authority's investment guidelines. These guidelines comply with the New York State Comptroller's investment guidelines for public authorities and were adopted pursuant to Section 2925 of the New York Public Authorities Law.

Investment of the Authority's Separately Financed Project ("SFP") and Captive funds is administered in accordance with the applicable provisions of the Transmission Bond Resolution and the Captive Insurance Investment Policy Statement, respectively.

Investment of NYREDHC is administered in accordance with the applicable provisions of the Authority's Guidelines for the Investment of Funds.

(a) *Investment Credit Risk*

The Authority's investments under the General Bond Resolution and Guidelines for the Investment of Funds are restricted to (a) authorized collateralized certificates of deposit, Certificate of Deposit Account Registry Service ("CDARS") program or similar FDIC-insured, reciprocal products, time deposits and money market funds (money market funds shall not exceed 40% of the Authority's invested funds and no more than $50 million

invested in any one fund), (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 any agency controlled by or supervised by and acting as an instrumentality of the United States government, and (d) obligations of any state or any political subdivision thereof or any agency, instrumentality or local government unit of any such state or political subdivision which is 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 of treasury or agency-backed collateral with a physical trust certificate from a FINRA-licensed broker dealer, and (f) Guaranteed Investment Contracts or GIC Funds issued by creditworthy insurance companies and collateralized by issuer's general or separate account assets, with no more than $50 million invested in any one contract or fund. The Authority's investments in senior debt securities of the Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB) Federal Agricultural Mortgage Corporation (FAMC) and Federal Home Loan Mortgage Corporation (FHLMC) were rated Aa1 by Moody's Investors Services (Moody's), AA+ by Fitch Ratings (Fitch) and AA+ by Standard & Poor's (S&P).

Permitted investments under Transmission Bond Resolution are similar to those investment types stated for the Authority.

Permitted investments for Captive under the NYPA Captive Insurance Investment Policy Statement are similar to those types stated for the Authority with the additional inclusion of Collateralized Loan Obligations ("CLOS") with a rating of AA or higher; Corporate equity investments in domestic common and preferred stocks and publicly traded REIT funds; and Mortgage-backed securities and Collateralized Mortgage Obligations with a rating of AA or higher.

Permitted investments for the NYREDHC are identical to those investment types stated for the Authority.

Investments are reported in the consolidated statements of net position at fair value, using quoted market prices. Realized and unrealized gains and losses on investments are recorded as investment income in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

(b) *Interest Rate Risk*

Securities involved in repurchase or reverse repurchase agreements must maintain a market value at or above the investment cost. These agreements are restricted to a maximum fixed term of 30 days and are capped at $250 million overall, with a limit of $50 million per individual dealer or bank. Funds will not be invested for durations exceeding the anticipated need for those funds. As of December 31, 2024, the Authority has $60 million invested in repurchase agreements. As of December 31, 2023, the Authority had $45 million invested in the repurchase agreements.

Provisions applicable to the Authority apply to the SFP, Captive and NYREDHC for interest rate risk coverage.

(c) ***Concentration of Investment Credit Risk***

On December 31, 2024, there is no limit on the amount that the Authority may invest in any one issuer; however, investments in authorized certificates of deposit shall not exceed 40% of the Authority's invested funds and shall not exceed $50 million from any one bank. On December 31, 2024, the Authority's (excluding SFP, Captive and NYREDHC) total investment portfolio of $1,318 million, excluding cash and cash equivalents, includes investments of $474 million (36%), $559 million (43%), $159 million (12%), $68 million (5%), and $58 million (4%) in government Agency securities; U.S. Treasuries; Guaranteed Investment Contracts, Reverse Repurchase Agreements and other various deposits; and Municipal securities, respectively. 79% of the total investments are in securities guaranteed by the U.S. Government.

On December 31, 2023, there was no limit on the amount that the Authority may invest in any one issuer; however, investments in authorized certificates of deposit were not to exceed 25% of the Authority's invested funds and were not to exceed $25 million from any one bank. On December 31, 2023, the Authority's (excluding SFP and Captive) total investment portfolio of $1,118 million, excluding cash and cash equivalents, included investments of $111 million (10%), $119 million (11%), $140 million (13%), $161 million (14%), and $587 million (52%) in securities of FNMA, FHLMC, FHLB, GNMA, and other various U.S. Treasuries, Guaranteed Investment Contracts, and Municipal securities, respectively.

On December 31, 2024, SFP's total investment portfolio of $117 million, excluding cash and cash equivalents, includes investments of $98 million (84%) and $19 million (16%) in government Agency securities and Treasuries, respectively. 100% of the total investments are in securities guaranteed by the U.S. Government. At December 31, 2023, SFP's total investment portfolio of $341 million, excluding cash and cash equivalents, included investments of $285 million (84%) and $56 million (16%) in securities of FHLB and U.S. Treasuries, respectively.

On December 31, 2024, the Captive's total investment portfolio of $110 million, excluding cash and cash equivalents, includes investments of $51 million (46%), $43 million (40%), and $16 million (14%) in government Agency securities, taxable Municipal bonds and other securities, respectively. 46% of the total investments are in securities guaranteed by the U.S. Government. At December 31, 2023, the Captive's total investment portfolio of $74 million, excluding cash and cash equivalents, included investments of $13 million (18%), $10 million (14%), $8 million (11%), and $43 million (57%) in securities of FHLMC, FHLB, GNMA, and taxable Municipal bonds and other securities, respectively.

On December 31, 2024, NYREDHC's total investment portfolio of $94 million, excluding cash and cash equivalents, includes investments of $89 million (94%) and $5 million (6%) in government Agency securities and taxable Municipal bonds, respectively. 94% of the total investments are in securities guaranteed by the U.S. Government.

(d) ***Cash and Cash Equivalents***

All investments are held by designated custodians in the name of the Authority (which includes NYPA, Canal Corporation, SFP, Captive and NYREDHC, as applicable). On December 31, 2024, the Authority (excluding SFP, Captive and NYREDHC) had $315 million invested in money market funds and $15 million invested in CDAR. On December

31, 2023, the Authority had $45 million invested in a Repurchase Agreement and $315 million invested in money market funds.

On December 31, 2024 and 2023, the SFP had $42 million and $134 million invested in money market funds, respectively.

On December 31, 2024 and 2023, the Captive had $10 million and $31 million invested in money market funds, respectively.

On December 31, 2024, the NYREDHC had $4 million invested in money market funds.

Total Cash and Investments of the Authority on a consolidated basis are $2.1 billion and $2 billion at December 31, 2024 and December 31, 2023, respectively.

Investments (NYPA and Canals)

	Total		Restricted		Capital funds*		Unrestricted	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
				(in millions)				
Cash and investments:								
Cash and cash equivalents	$ 360	$ 315	$ 8	$ 1	$ 82	$ 3	$ 270	$ 311
U.S. government:								
U.S. Treasury bills	203	221	13	13	33	-	157	208
U.S. Treasury notes	356	132	-	-	341	-	15	132
	559	353	13	13	374	-	172	340
Other debt securities:								
FNMA	116	111	-	-	8	23	108	88
FHLMC	94	119	-	-	5	-	89	119
FHLB	79	140	-	-	-	31	79	109
GNMA	113	161	-	-	-	19	113	142
All other	357	234	-	-	66	10	291	224
	759	765	-	-	79	83	680	682
Total investments	1,318	1,118	13	13	453	83	852	1,022
Total cash and investments	$ 1,678	$ 1,433	$ 21	$ 14	$ 535	$ 86	$ 1,122	$ 1,333
Summary of maturities (years):								
0 - 1	446	445	13	13	226	7	207	425
1 - 5	564	281	-	-	227	34	337	247
5 - 10	154	144	-	-	-	-	154	144
10+	154	248	-	-	-	42	154	206
	$ 1,318	$ 1,118	$ 13	$ 13	$ 453	$ 83	$ 852	$ 1,022

*All committed

I. The Authority's General Bond Resolution authorized the establishment of an Operating Reserve in an amount necessary to support the Authority's operations. The Trustees established the Operating Reserve level and Debt Service Reserve by resolution. As of December 31, 2024, NYPA's total cash and investments of $1.7 billion and as of December 31, 2023, NYPA's total cash and investments of $1.4 billion included Operating Reserve for working capital and emergency repairs, Debt Service Reserve to pay debt service on General Bond Resolution obligations and various other reserves. See the section "Authority's General Resolution Fund Requirements" in MD&A for detailed note on the Authority's Fund Requirements.

II. As of December 31, 2024, restricted funds include primarily the Petroleum Overcharge Restitution ("POCR") fund ($7 million), and Others ($6 million). Further, restricted Cash and cash equivalents includes the remaining balance amount of $8 million appropriated for Canals by the 2024-2025 Capital Projects Budget of New York State. Refer Canal Corporation section in MD&A for further information. As of December 31, 2023, restricted funds included primarily the POCR fund ($7 million), ConnectALL Fund ($1 million), and Others ($6 million).

Investments (SFP)

	Total		Restricted		Capital funds*		Unrestricted	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
	(in millions)							
Cash and investments:								
Cash and cash equivalents	$ 51	$ 134	$ 51	$ -	$ -	$ 38	$ -	$ 96
U.S. government:								
U.S. Treasury bills	-	-	-	-	-	-	-	-
U.S. Treasury notes	19	56	19	-	-	56	-	-
	19	56	19	-	-	56	-	-
Other debt securities:								
FNMA	-	-	-	-	-	-	-	-
FHLMC	1	-	1	-	-	-	-	-
FHLB	90	285	90	-	-	271	-	14
GNMA	-	-	-	-	-	-	-	-
All other	7	-	7	-	-	-	-	-
	98	285	98	-	-	271	-	14
Total investments	117	341	117	-	-	327	-	14
Total cash and investments	$ 168	$ 475	$ 168	$ -	$ -	$ 365	$ -	$ 110
Summary of maturities (years):								
0 - 1	103	220	103	-	-	220	-	-
1 - 5	14	121	14	-	-	107	-	14
5 - 10	-	-	-	-	-	-	-	-
10+	-	-	-	-	-	-	-	-
	$ 117	$ 341	$ 117	$ -	$ -	$ 327	$ -	$ 14

*All committed

Investments (Captive)

	Total		Restricted		Capital funds		Unrestricted	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
	(in millions)							
Cash and investments:								
Cash and cash equivalents	$ 10	$ 31	$ 10	$ -	$ -	$ -	$ -	$ 31
U.S. government:								
U.S. Treasury bills	-	-	-	-	-	-	-	-
U.S. Treasury notes	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Other debt securities:								
FNMA	12	-	12	-	-	-	-	-
FHLMC	22	13	22	-	-	-	-	13
FHLB	10	10	10	-	-	-	-	10
GNMA	7	8	7	-	-	-	-	8
All other	59	43	59	-	-	-	-	43
	110	74	110	-	-	-	-	74
Total investments	110	74	110	-	-	-	-	74
Total cash and investments	$ 120	$ 105	$ 120	$ -	$ -	$ -	$ -	$ 105
Summary of maturities (years):								
0 - 1	-	-	-	-	-	-	-	-
1 - 5	9	-	9	-	-	-	-	-
5 - 10	89	54	89	-	-	-	-	54
10+	12	20	12	-	-	-	-	20
	$ 110	$ 74	$ 110	$ -	$ -	$ -	$ -	$ 74

Investments (NYREDHC)

	Total		Restricted		Capital funds		Unrestricted	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
	(in millions)							
Cash and investments:								
Cash and cash equivalents	$ 4	$ -	$ -	$ -	$ -	$ -	$ 4	$ -
U.S. government:								
U.S. Treasury bills	-	-	-	-	-	-	-	-
U.S. Treasury notes	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Other debt securities:								
FNMA	7	-	-	-	-	-	7	-
FHLMC	35	-	-	-	-	-	35	-
FHLB	-	-	-	-	-	-	-	-
GNMA	47	-	-	-	-	-	47	-
All other	5	-	-	-	-	-	5	-
	94	-	-	-	-	-	94	-
Total investments	94	-	-	-	-	-	94	-
Total cash and investments	$ 98	$ -	$ -	$ -	$ -	$ -	$ 98	$ -
Summary of maturities (years):								
0 - 1	-	-	-	-	-	-	-	-
1 - 5	10	-	-	-	-	-	10	-
5 - 10	22	-	-	-	-	-	22	-
10+	62	-	-	-	-	-	62	-
	$ 94	$ -	$ -	$ -	$ -	$ -	$ 94	$ -

(7) Capital Assets

The following schedule summarizes the capital assets activity of the Authority for the year ended December 31, 2024.

Capital Assets (NYPA and Canals)

	December 31, 2023 Beginning balance	Additions	Retirements/Transfers	December 31, 2024 Ending balance
		(in millions)		
Non-depreciable capital assets:				
Land	$ 193	$ -	$ -	$ 193
Construction in progress	538	459	(320)	677
Total Non-depreciable capital assets	731	459	(320)	870
Depreciable capital assets:				
Production - Hydro	2,480	38	(21)	2,497
Production - Gas turbine/combined cycle	1,263	14	(1)	1,276
Transmission	2,869	119	(68)	2,920
General	1,696	125	(51)	1,770
Energy Storage	35	-	-	35
Canal System	1,004	36	(6)	1,034
Total Depreciable capital assets	9,347	332	(147)	9,532
Less accumulated depreciation for:				
Production - Hydro	1,081	52	(5)	1,128
Production - Gas turbine/combined cycle	926	33	-	959
Transmission	1,392	58	(1)	1,449
General	597	121	(39)	679
Energy Storage	3	4	-	7
Canal System	358	41	(6)	393
Total accumulated depreciation	4,357	309	(51)	4,615
Net value of Depreciable capital assets	4,990	23	(96)	4,917
Net value of all assets	$ 5,721	$ 482	$ (416)	$ 5,787

Capital Assets (SFP)

	December 31, 2023 Beginning balance	Additions	Retirements/Transfers	December 31, 2024 Ending balance
	(in millions)			
CWIP:				
CEEC	$ -	$ 10	$ (10)	$ -
Smart Path	-	3	(3)	-
Smart Path Connect	270	311	(116)	465
Land:				
CEEC	27	-	-	27
Transmission-EPIS:				
CEEC	197	10	-	207
Smart Path	477	3	-	480
Smart Path Connect	216	116	-	332
Total SFP	$ 1,187	$ 453	$ (129)	$ 1,511

The following schedule summarizes the capital assets activity of the Authority for the year ended December 31, 2023.

Capital Assets (NYPA and Canals)

	December 31, 2022 Beginning balance	Additions	Retirements/Transfers	December 31, 2023 Ending balance
		(in millions)		
Non-depreciable capital assets:				
Land	$ 193	$ -	$ -	$ 193
Construction in progress	834	670	(966)	538
Total Non-depreciable capital assets	1,027	670	(966)	731
Depreciable capital assets:				
Production - Hydro	2,449	31	-	2,480
Production - Gas turbine/combined cycle	1,251	12	-	1,263
Transmission	2,715	223	(69)	2,869
General	1,653	143	(100)	1,696
Energy Storage	-	35	-	35
Canal System	977	27	-	1,004
Total Depreciable capital assets	9,045	471	(169)	9,347
Less accumulated depreciation for:				
Production - Hydro	1,030	51	-	1,081
Production - Gas turbine/combined cycle	893	33	-	926
Transmission	1,413	48	(69)	1,392
General	609	88	(100)	597
Energy Storage	-	3	-	3
Canal System	311	47	-	358
Total accumulated depreciation	4,256	270	(169)	4,357
Net value of Depreciable capital assets	4,789	201	-	4,990
Net value of all assets	$ 5,816	$ 871	$ (966)	$ 5,721

Capital Assets (SFP)

	December 31, 2022 Beginning balance	Additions	Retirements/Transfers	December 31, 2023 Ending balance
	(in millions)			
CWIP:				
CEEC	$ 166	$ 31	$ (197)	$ -
Smart Path	14	46	(60)	-
Smart Path Connect	-	486	(216)	270
Land:				
CEEC	-	27	-	27
Transmission-EPIS:				
CEEC	-	197	-	197
Smart Path	417	60	-	477
Smart Path Connect	-	216	-	216
Total SFP	$ 597	$ 1,063	$ (473)	$ 1,187

(8) Long-Term and Short-Term Debt

General Resolution Long-Term and Short-Term Debt (NYPA and Canals)

	Amount 2024	Amount 2023	Interest Rate (a)	Maturity		Earliest redemption date prior to maturity
	(in millions)					
General Resolution Senior debt:						
Revenue Bonds (Tax-Exempt):						
Series 2020A Revenue Bonds:						
Term Bonds	$ 1,121	$ 1,121	3.25% to 4.00%	11/15/2045 - 2060	**	5/15/2030
Series 2024A Revenue Bonds:						
Serial Bonds	382	-	5.00%	11/15/2030 - 2044	**	11/15/2034
Term Bonds	68	-	4.00%	11/15/2049 - 2054	**	11/15/2034
Revenue Bonds (Taxable):*						
Series 2003A Revenue Bonds:						
Term Bonds	-	117	5.649% to 5.749%	11/15/2028 - 2033	**	Any date
Series 2007B Revenue Bonds:						
Term Bonds	-	122	5.905%	11/15/2037	**	Any date
Series 2020B Revenue Bonds:						
Term Bonds	114	114	2.818%	11/15/2039	**	Any date
	1,685	1,474				
Add: unamortized premium and discount	120	60				
Long-term senior debt	1,805	1,534				
Less: due within one year	-	15				
Long-term senior debt, net of due within one year	$ 1,805	$ 1,519				

(a) interest rate at issuance
* All outstanding taxable term bonds are subject to Make-Whole Call provisions
** Bonds are subject to sinking fund provisions

Note: Interest on Series 2003A, 2007B, and 2020B Revenue Bonds and Subordinated Notes, Series 2012 and Subordinated Notes, Series 2017 is not excluded from gross income for bondholders' Federal income tax purposes.

On December 27, 2023, the Authority deposited with The Bank of New York Mellon, as Trustee for its $88 million Series 2007B Revenue Bonds maturing November 15, 2043 (the "Defeased Bonds") issued under Authority's General Bond Resolution, $108 million consisting of cash and non-callable direct obligations of the United States the principal of and interest on which when due, together with any portions of such money held, are sufficient to pay when due the maturing principal of and interest due on the Defeased Bonds. The securities were acquired with only existing resources and deposited in an irrevocable trust fund ("Escrow Fund") with the Trustee. The Defeased Bonds are deemed to have been paid with the establishment of the Escrow Fund and are in compliance with the other applicable provisions of the General Bond Resolution. The defeasance generated $17 million of present value savings or 19%. In total, the Authority eliminated $181 million of future principal and interest at a cost of $108 million.

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

due the maturing principal of and interest due on the Defeased Bonds and Subordinated Notes. The securities were acquired with only existing resources and deposited in irrevocable trust funds ("Escrow Funds") with the Trustee. The Defeased Bonds and Subordinated Notes are deemed to have been paid with the establishment of the Escrow Funds and are in compliance with the other applicable provisions of the General Bond Resolution. The defeasance generated $21 million of present value savings. In total, the Authority eliminated $368 million of future scheduled principal and interest payments on the Defeased Bonds and Subordinated Notes at a cost of $275 million.

As referred to in the "Summary of Consolidated Revenues, Expenses and Changes in Net Position" section in the MD&A, In October 2024, the Authority issued $450 million in Revenue Bonds, Series 2024 A (Green Bonds) ("2024 A Bonds"), marking its second green bond issuance under the General Bond Resolution. The 2024 A Bonds were designated as "Green Bonds" by the Authority due to the expected environmental benefits of the projects financed with the proceeds of the 2024 A Bonds. The purpose of the "Green Bonds" designation is to inform investors that bond proceeds are intended to be used to support environmentally beneficial projects.

Sustainalytics, a leading provider of environmental, social and governance and corporate governance research and ratings to investors evaluated and verified that the projects that will be funded with the proceeds of the 2024 A Bonds are aligned with the Authority's Green Bond Framework as the Authority anticipates the proceeds of the 2024 A Bonds will be applied exclusively for a project and activity that promote climate or other environmentally sustainable purposes in alignment with the with the four core components of the Green Bond Principles 2022, published June 2022 by the International Capital Market Association.

On issuance of the 2024 A Bonds, NYPA raised $62 million, capitalized interest, for interest payments related to these bonds.

The General Resolution Revenue Bonds outstanding as of December 31, 2024, have an average coupon rate of 4.10% (average yield rate of 3.13%) and mature through 2060. The General Resolution Revenue Bonds outstanding as of December 31, 2023, had an average coupon rate of 4.18% (average yield rate of 3.64%) and mature through 2060.

As indicated in Note 5 "Authority's Bond Resolutions and Related Matters" of the notes to the consolidated financial statements, NYPA has pledged future revenues to service the Obligations and Parity Debt (Revenue Bonds) issued under the General Bond Resolution. The total principal and interest remaining to be paid on the General Resolution Revenue Bonds is $3.2 billion as of December 31, 2024. Interest expense in 2024 was $58 million. The total principal and interest remaining to be paid on the Revenue Bonds was $3 billion as of December 31, 2023. Interest expense in 2023 was $66 million.

General Resolution Revenue Bonds are subject to redemption prior to maturity in whole or in part as provided in the supplemental resolutions authorizing the issuance of each series of bonds, beginning for each series on the date indicated in the table above, at principal amount or at various redemption prices according to the date of redemption, together with accrued interest to the redemption date.

Maturities and Interest Expense:

	Revenue bonds (in millions)		
	Principal	**Interest**	**Total**
Years ending December 31:			
2025	$ -	$ 71	$ 71
2026	-	69	69
2027	-	69	69
2028	-	69	69
2029 - 2033	131	336	467
2034 - 2038	216	296	512
2039 - 2043	265	247	512
2044 - 2048	306	187	493
2049 - 2053	336	123	459
2054 - 2058	307	57	364
2059 - 2063	124	7	131
	1,685	1,531	3,216
Plus: unamortized bond premium	120	-	120
Total	$ 1,805	$ 1,531	$ 3,336

Transmission Resolution Long-Term Debt (Separately Financed Projects)

	Amount 2024	Amount 2023	Interest Rate (a)	Maturity	Earliest redemption date prior to maturity
	(in millions)				
Series 2022A Transmission Revenue Bonds:					
Serial bonds	$ 321	$ 337	4.000% to 5.000%	11/15/2024 to 11/15/2042	11/15/2031
Term bonds	271	271	3.875% to 4.000%	11/15/2047 to 11/15/2061*	11/15/2031
Principal amount outstanding	592	608			
Series 2023A Transmission Revenue Bonds:					
Serial bonds	367	367	5.000% to 5.250%	11/15/2026 to 11/15/2043	11/15/2033
Term bonds	367	367	5.000% to 5.125%	11/15/2048 to 11/15/2063*	11/15/2033
Principal amount outstanding	734	734			
Add: unamortized premium and discount	$61	$65			
Long-term SFP debt	1,387	1,407			
Less: due within one year	20	16			
Long-term SFP debt, net of due within one year	$ 1,367	$ 1,391			

(a) interest rate at issuance

* Bonds are subject to sinking fund provisions

The Transmission Resolution Revenue Bonds outstanding as of December 31, 2024, have an average coupon rate of 4.74% (average yield rate of 3.95%) and mature through 2063. The Transmission Resolution Revenue Bonds outstanding as of December 31, 2023, had an average coupon rate of 4.74% (average yield rate of 3.92%) and mature through 2063. As indicated in the "Transmission Bond Resolution Related Matters" section in Note 5 of the notes to the consolidated financial statements, NYPA has pledged future revenues generated by the assets that are funded by the bond proceeds to service the Obligations issued under the Transmission Bond Resolution. The total principal and interest remaining to be paid on the Transmission Resolution Revenue Bonds is $2.5 billion as of December 31, 2024. Interest expense in 2024 was $64 million for the Transmission Resolution Revenue Bonds. The total principal and interest remaining to be paid on the Transmission Resolution Revenue Bonds was $2.6 billion as of December 31, 2023. Interest expense in 2023 was $31 million for the Transmission Resolution Revenue Bonds. On the issuance of the Series 2023A Bonds, NYPA raised $42 million for interest expense payments related to these bonds, $30 million of which was used for interest expense in 2024.

Maturities and Interest Expense:

	Transmission Resolution Revenue Bonds (in millions)		
	Principal	**Interest**	**Total**
Years ending December 31:			
2025	$ 20	$ 63	$ 83
2026	34	62	96
2027	57	60	117
2028	56	57	113
2029 - 2033	184	253	437
2034 - 2038	178	209	387
2039 - 2043	175	168	343
2044 - 2048	171	128	299
2049 - 2053	165	90	255
2054 - 2058	157	53	210
2059 - 2063	129	17	146
	1,326	1,160	2,486
Plus: unamortized bond premium	61	-	61
Total	$ 1,387	$ 1,160	$ 2,547

General Resolution Subordinate Debt:

(a) **Subordinate Notes**- In 2016, the Authority's Trustees authorized the issuance of Subordinated Notes, Series 2017 (Subordinated Notes, Series 2017) and in 2012, the Authority's Trustees authorized the issuance of Subordinated Notes, Series 2012 (Subordinated Notes, Series 2012), in a principal amount not to exceed $30 million for each note for the purpose of accelerating the funding for the State Parks Greenway Fund, which was established pursuant to the Niagara Relicensing Settlement entered into by the Authority and the New York State Office of Parks, Recreation & Historic Preservation in connection with the Niagara Project's relicensing. These Subordinated Notes, Series 2017 and Series 2012, are subordinate to the Revenue Bonds Series 2003A, the Series 2007B, and the Series 2020A and 2020B. As stated above, on May 22, 2024, the Authority defeased $15 million Subordinated Notes, Series 2012, and $20 million Subordinated Notes Series 2017 (the "Defeased Subordinated Notes") issued under Authority's General Bond Resolution.

	Amount 2024	Amount 2023	Interest Rate (a)	Maturity		Earliest redemption date prior to maturity
	(in millions)					
Subordinate debt:*						
Subordinated Notes, Series 2017	$ -	$ 21	3.466% to 4.272%	2027 to 2041	**	N/A
Subordinated Notes, Series 2012	-	16	2.850% to 4.050%	2024 to 2037	**	N/A
	-	37				
Less: due within one year	-	2				
Long-term subordinate debt, net of due within one year	$ -	$ 35				

(a) interest rate at issuance
* All outstanding subordinated notes are taxable
** Bonds are subject to sinking fund provisions

(b) **Commercial Paper–** Under the Extendible Municipal Commercial Paper ("EMCP") Note Resolution, adopted December 17, 2002, and as subsequently amended and restated, NYPA may issue a series of notes, designated EMCP Notes, Series 1, maturing not more than 270 days from the date of issue, up to a maximum amount outstanding at any time of $200 million ("EMCP" Notes). There are no outstanding notes under the EMCP program as of December 31, 2024 and 2023.

Under the provisions of the Second Amended and Restated Resolution Authorizing Commercial Paper Notes, adopted by NYPA on March 30, 2021, and the Certificate of Determination dated February 21, 2024, NYPA may issue from time to time a separate series of notes ("CP Notes") maturing not more than 270 days from the date of issue, up to a maximum amount outstanding at any time of $450 million (Series 1 CP Notes), $250 million (Series 2 CP Notes), $250 million (Series 3B CP Notes). Series 3A and Series 4 currently have zero allocated. There were no Series 3A, Series 3B, and Series 4 CP Notes outstanding as of December 31, 2024 and 2023. NYPA intends to use the proceeds of the Series 1, certain Series 2, and Series 3A and 3B CP Notes to finance the Authority's current and future energy efficiency programs and for other corporate purposes.

NYPA determines the rate for each rate period which is the minimum rate necessary to remarket the notes at par in the Dealer's opinion.

Market access risk – NYPA remarkets its CP Notes on a continuous basis. Should the market experience a disruption or dislocation, NYPA may be unable to remarket its Notes for a period of time. To mitigate this risk, NYPA has entered into two liquidity facilities with highly rated banks to provide loans to support the CP Note programs.

NYPA has a line of credit under a 2019 Revolving Credit Agreement (the "2019 RCA"), with a syndicate of banks, to provide liquidity support for the Series 1, Series 2, and Series 3A CP Notes, under which NYPA may borrow up to $700 million in aggregate principal amount outstanding at any time for certain purposes, including the repayment of the Series 1, Series 2, and Series 3A CP Notes. The 2019 RCA was extended by amendment to October 9, 2026. As of December 31, 2024 and 2023, there were no outstanding borrowings under the 2019 RCA.

NYPA has a Revolving Credit Agreement (the "2020 RCA") and Note Purchase Agreement (the "Note Purchase Agreement") effective April 22, 2020, each between NYPA, and a single bank as Administrative Agent and sole lender thereunder (collectively the "Hybrid Credit Agreement"). NYPA is able to borrow up to $250 million in aggregate principal amount outstanding at any time under the Hybrid Credit Agreement. NYPA is able to borrow amounts under the 2020 RCA for the repayment of the Series 3B and Series 4 CP Notes. Under the Note Purchase Agreement, NYPA may issue Direct Purchase Notes to the lender thereunder or request the issuance of Letters of Credit, subject to a sublimit of up to $150 million. As of December 31, 2024, NYPA had no outstanding amount under its Hybrid Credit Agreement. NYPA and JPMorgan have executed an amendment to extend the Hybrid Credit Agreements for an additional three-year period. The Revolving Credit Agreement and Note Purchase Agreement expire on April 10, 2026.

As of December 31, 2024 and 2023, NYPA had no outstanding balance on account of Direct Purchase Note under its Note Purchase Agreement connected to its Hybrid Credit Agreements.

The CP Notes, EMCP Notes, and Direct Purchase Notes are subordinate to the Revenue Bonds Series 2024 A, 2020 A, and 2020 B.

Interest on the Series 3A and 3B CP Notes is subject to taxation for Federal income tax purposes.

CP Notes (short-term portion) outstanding were as follows:

		December 31, 2024		December 31, 2023	
	Authorized	**Allocated**	**Outstanding**	**Allocated**	**Outstanding**
		(in millions)		(in millions)	
CP Notes (Series 1)		$450	$350	$225	$100
CP Notes (Series 2)		250	88	275	127
CP Notes (Series 3A)		-	-	300	-
CP Notes (Series 3B)		250	-	150	-
CP Notes (Series 4)		-	-	-	-

The changes in short-term debt are as follows:

	Beginning Balance-January	Increases	Decreases	Ending balance-December
		(in millions)		
Year:				
2023	$ 179	$ 139	$ 91	$ 227
2024	$ 227	$ 273	$ 62	$ 438

Debt Service coverage ("DSCR")

NYPA calculates the debt service coverage ratio based on EBIDA. All debt-related principal and interest payments are included for coverage.

For 2024, interest of $30 million was funded with proceeds from Series 2023A Bonds which has been reduced from the total debt service in the calculation for Transmission Bond Resolution DSCR as stated below.

DSCR for NYPA's General Bond Resolution for 2024 was 6.43x excluding Separately Financed Project ("SFP").

For the Transmission Bond Resolution, DSCR was 3.54x for the bond year ending November 15, 2024.

(9) Changes in Noncurrent Liabilities

Changes in the Authority's noncurrent liabilities for the year ended December 31, 2024, are comprised of the following:

	Beginning balance	Additions	Maturities/ refundings and other	Ending balance	Due within one year
			(in millions)		
General Resolution :					
Senior debt:					
Revenue bonds	$ 1,459	$ 450	$ 224	$ 1,685	$ -
Subtotal	1,459	450	224	1,685	-
Subordinate debt:					
Subordinated Notes, Series 2017	18	-	18	-	-
Subordinated Notes, Series 2012	17	-	17	-	-
Commercial paper	-	-	-	-	-
Subtotal	35	-	35	-	-
Net unamortized discounts/premiums and deferred losses	60	64	4	120	-
Total debt, net of unamortized discounts/premiums and deferred losses	1,554	514	263	1,805	-
Other noncurrent liabilities:					
Disposal of nuclear fuel	245	13	-	258	-
Relicensing	223	-	-	223	-
Other	357	70	70	357	-
Total other noncurrent liabilities	825	83	70	838	-
Total noncurrent liabilities (excluding SFP)	2,379	597	333	2,643	-
Separate Revenue Bonds (SFP)					
Series 2022A Transmission Revenue Bonds	592	-	20	572	20
Series 2023A Transmission Revenue Bonds	734	-	-	734	-
Subtotal	1,326	-	20	1,306	20
Net unamortized discounts/premiums and deferred losses	65	-	4	61	-
Total debt, net of unamortized discounts/premiums and deferred losses	1,391	-	24	1,367	20
Total noncurrent liabilities (including SFP)	$ 3,770	$ 597	$ 357	$ 4,010	$ 20

Changes in the Authority's noncurrent liabilities for the year ended December 31, 2023, are comprised of the following:

	Beginning balance	Additions	Maturities/ refundings and other	Ending balance	Due within one year
			(in millions)		
General Resolution:					
Senior debt:					
Revenue bonds	$ 1,562	$ -	$ 103	$ 1,459	$ 15
Subtotal	1,562	-	103	1,459	15
Subordinate debt:					
Subordinated Notes, Series 2017	20	-	2	18	1
Subordinated Notes, Series 2012	18	-	1	17	1
Commercial paper	-	-	-	-	-
Subtotal	38	-	3	35	2
Net unamortized discounts/premiums and deferred losses	62	-	2	60	-
Total debt, net of unamortized discounts/premiums and deferred losses	1,662	-	108	1,554	17
Other noncurrent liabilities:					
Disposal of nuclear fuel	233	12	-	245	-
Relicensing	225	-	2	223	-
Other	198	192	33	357	-
Total other noncurrent liabilities	656	204	35	825	-
Total noncurrent liabilities (excluding SFP)	2,318	204	143	2,379	17
Separate Revenue Bonds (SFP)					
Series 2022A Transmission Revenue Bonds	608	-	16	592	16
Series 2023A Transmission Revenue Bonds		734	-	734	-
Subtotal	608	734	16	1,326	16
Net unamortized discounts/premiums and deferred losses	51	14	-	65	-
Total debt, net of unamortized discounts/premiums and deferred losses	659	748	16	1,391	16
Total noncurrent liabilities (including SFP)	$ 2,977	$ 952	$ 159	$ 3,770	$ 33

(10) Risk Management of Commodity Hedging Activities

Overview

The Authority deploys a robust risk management program spanning its enterprise and operational risk profile. To support the execution of the strategic vision, established governance processes assess exposures and call for corresponding risk informed decisions that mitigate, transfer, accept, or avoid risks.

A key aspect of the Authority's risk management program is to address risk and volatility on cash flows associated with energy, fuel, capacity and certain non-energy commodity prices. Through its participation in the NYISO and commodity markets, the Authority is subject to energy, fuel, capacity and certain non-energy commodity price uncertainty that impact the revenue of its facilities and customer market areas. Such market volatility can potentially have adverse effects on the Authority's financial condition. To mitigate potential adverse effects and to moderate cost impacts to its customers (many of the Authority's customer contracts provide for the complete or partial pass-through of these costs), the Authority manages market risks by utilizing financial derivative instruments and/or physical forward contracts. These instruments mitigate the volatility in the cost of energy or related products needed to meet customer needs; the risk related to the price of energy and related products sold; the risk related to margins (electric sales versus fuel use) where the Authority owns generation or other capacity; and to mitigate geographic cost differentials of energy procured or sold for transmission or transportation to an ultimate location. Commodities to be hedged include, but are not limited to, energy, capacity, congestion costs associated with the transmission of electricity, natural gas and natural gas basis, and non-energy commodities.

To achieve the risk management program objectives, the Authority's Trustees have authorized the use of various derivative instruments for hedging purposes that are considered derivatives under GASB No. 53, *Accounting and Financial Reporting for Derivative Instruments* ("GASB No. 53").

The fair values of all Authority derivative instruments are reported in current and noncurrent assets or liabilities on the consolidated statement of net position as risk management activities to manage commercial risk. For designated derivative instruments, changes in the fair values are deferred and classified as deferred outflows or inflows on the consolidated statement of net position. The fair value for over the counter and exchange-traded energy, fuel, capacity, and non-energy commodity derivative instruments are determined by prices published by Standard & Poor's Global Platt's ("Platts"), market sources and/or pricing models.

Derivative Instruments

The following table shows the fair value of outstanding financial derivative instruments as of December 31, 2023, and December 31, 2024 and changes in fair value during the year ended December 31, 2024.

Derivative instrument description	Fair value balance December 31, 2023	Net change in fair value (in millions)	Fair value balance December 31, 2024	Type of hedge or transaction	Financial statement classification for changes in fair value	Notional amount December 31, 2024	Unit of measure
Energy swaps/futures (sales)	$ (33)	$ 15	$ (18)	Cash flow	Deferred outflow	(4,116,830)	MWh
Energy swaps (purchases)	(2)	2	$ -	Cash flow	Deferred inflow	119,512	MWh
Energy capacity futures	(5)	5	$ -	Cash flow	Deferred outflow	0	KWm
Fuel forwards/swaps	-	-	$ -	Cash flow	Deferred inflow	416,640	MMBTU
Non-energy commodity swaps	4	(6)	$ (2)	Cash flow	Deferred outlow	(36,000)	MT
Non-energy options	6	(2)	$ 4	Cash flow	Deferred inflow	(36,500)	MT
Totals	$ (30)	$ 14	$ (16)				

Energy swaps and futures –The Authority transacts energy swaps and futures to manage the revenue stream from forecasted generation. Net settlement payments were $2 million in 2024, and net settlement receipts were $1 million in 2023.

Energy capacity futures – The Authority transacts capacity swaps and futures intended to mitigate the volatility of market prices for transactions in NYISO markets. Net settlement receipts were $44 million in 2024, and net settlement payments were $20 million in 2023.

Fuel futures and swaps – The Authority, at times, has outstanding natural gas forward contracts. Net settlement payments were $0 million and $1 million in 2024 and 2023, respectively.

Non-energy commodities swaps – The Authority transacts certain non-energy commodities swaps to mitigate the volatility of specific commodity markets affecting revenues received from certain customers' energy supply contracts. Net settlement receipts were $5 million in both 2024 and 2023.

Non-energy commodities options – The Authority transacts certain non-energy options to mitigate the volatility of specific commodity markets affecting revenues received from certain customers' energy supply contracts. Premium payments were $4 million and $3 million during 2024 and 2023, respectively. Settlement receipts were $5 million and $15 million in 2024 and 2023, respectively.

Other – Over the lifetime of each outstanding energy derivative instrument certain derivative instruments may become ineffective due to changes in the hedged item. The change in fair market value of such derivative instruments would be recognized as other nonoperating charges or credits in the statements of revenues, expenses, and changes in net position. In 2024 and 2023, derivative instruments were determined to be effective.

Counterparty Credit Risk

The Authority imposes thresholds, based upon agency-published credit ratings and/or analysis, for unsecured credit that can be extended to counterparties in support of the Authority's commodity derivative transactions. The thresholds are established in credit support agreements with counterparties and require collateralization of mark-to-market values in excess of the thresholds.

Based upon the fair values as of December 31, 2024, and 2023, the Authority's individual or aggregate exposure to derivative instrument counterparty credit risk is not significant.

Other Considerations

The Authority at certain times, may be exposed to any of the following risks:

Basis risk – The Authority is exposed to basis risk through a portion of its electrical commodity-based swaps where the electrical commodity swap payments received are based upon a reference price in a NYISO Market Zone that differs from the Zone in which the hedged electric energy load is forecasted. If the correlation between these Zones' prices should change, the Authority may be exposed as a result of the inability of the electrical commodity swaps to offset the delivery price of the related energy. Positions are monitored and re-balanced as needed, to manage basis risk.

Termination risk – The Authority or its counterparties may terminate a derivative instrument if either party fails to perform under the terms of the agreement. The risk that such termination may occur at a time which may be disadvantageous to the Authority has been mitigated by including certain terms in these agreements by which the counterparty has the right to terminate only as a result of certain events, which includes a payment default by the Authority; other Authority defaults which remain uncured within a defined time-frame after notice; bankruptcy or insolvency of the Authority (or similar events); or a downgrade of the Authority's credit rating below investment grade. If at the time of termination, the Authority has a liability position related to its hedging derivative instruments, the Authority would be liable to the counterparty for a payment equal to the liability, subject to netting arrangements.

(11) Fair Value Measurements

GASB Statement No. 72 establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument.

The fair value hierarchy prioritizes the inputs used to measure fair value into three broad Levels (Levels 1, 2, and 3), moving from quoted prices in active markets in Level 1 to unobservable inputs in Level 3. A financial instrument's level within the fair value hierarchy (where Level 1 is the highest and Level 3 is the lowest) is based on the lowest level of any input that is significant to the fair value measurement. The categorization of a financial instrument within the fair value hierarchy is based upon pricing transparency and is not necessarily an indication of the Authority's perceived risk of that financial instrument.

The following describes the fair value hierarchy of inputs used by the Authority to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

- Level 1 – quoted prices for identical assets or liabilities in active markets that the Authority can access at the measurement date.
- Level 2 – quoted prices other than quoted prices included within Level 1 and other inputs that are observable for an asset or liability, either directly or indirectly.
- Level 3 – pricing inputs are unobservable for the asset or liability and may rely on inputs using the best available data under the circumstances, including the Authority's own data.

The following describes the valuation methodologies used by the Authority for assets and liabilities measured at fair value:

- U.S. government obligations – The fair value is based on institutional bond quotes and evaluations based on various market data/inputs.
- U.S. government agencies and instrumentalities – The fair value of government agencies and instrumentalities are based on institutional bond quotes and evaluations based on various market and industry inputs.
- Corporate obligations – The fair value is based on institutional bond quotes and evaluations on various market and industry inputs.
- Derivative instruments – The Authority hedges market risks through the use of derivative instruments. Derivative instruments are traded on both exchange-based and non-exchange-based markets. A detailed disclosure on derivatives is included in Note 10 “Risk Management and Hedging Activities” of notes to the consolidated financial statements.
    - The fair values for over the counter and/or exchange-traded derivative instruments are determined by the latest end-of-trading-month forward prices over the lifetime of each outstanding derivative instrument using prices published by Platts, market sources and/or internal pricing models.

The following tables summarize the Authority's outstanding assets and liabilities, of which there are no Level 3, within the fair value hierarchy at December 31, 2024 and December 31, 2023, respectively:

Fair Value Measurements (NYPA and Canals)

	Fair Value Measurements (in millions)							
	Total		Level 1		Level 2		Level 3	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
Assets								
Cash and cash equivalents	$ 360	$ 315	$ 360	$ 315	$ -	$ -	$ -	$ -
Treasury bills	203	221	203	155	-	66	-	-
Treasury notes	356	132	338	132	18	-	-	-
Federal agency securities:								
FAMCA	10	-	-	-	10	-	-	-
FFCB	60	-	-	-	60	-	-	-
FHLB	79	140	-	15	79	125	-	-
FHLMC	94	119	-	-	94	119	-	-
FNMA	116	111	-	-	116	111	-	-
GNMA	113	161	-	-	113	161	-	-
Municipal bonds	58	10	-	-	58	10	-	-
All other	229	224	229	158	-	66	-	-
Total cash and investments at fair value	$ 1,678	$ 1,433	$ 1,130	$ 775	$ 548	$ 658	$ -	$ -
Derivative instruments (a):								
Energy swaps/futures	18	35	-	-	18	35	-	-
Non-energy swaps/options	3	5	-	-	3	5	-	-
Total derivative assets at fair value	21	40	-	-	21	40	-	-
Total assets at fair value	$ 1,699	1,473	$ 1,130	$ 775	$ 569	698	$ -	$ -
Liabilities								
Derivative instruments (a):								
Non-energy swaps/options	4	10	-	-	4	10	-	-
Total derivative liabilities at fair value	4	10	-	-	4	10	-	-
Total liabilities at fair value	$ 4	$ 10	$ -	$ -	$ 4	$ 10	$ -	$ -

(a) The accounting rules for fair value measurements and disclosures require consideration of the impact of nonperformance risk (including credit risk) from a market participant perspective in the measurement of the fair value of assets and liabilities. At December 31, 2024, and 2023, the Authority determined that nonperformance risk would have no material impact on the financial position or results of operations.

Fair Value Measurements (SFP)

	Fair Value Measurements (in millions)							
	Total		Level 1		Level 2		Level 3	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
Assets								
Cash and cash equivalents	$ 51	$ 134	$ 51	$ 134	$ -	$ -	$ -	$ -
Treasury note	19	56	14	56	5	-	-	-
Federal agency securities:								
FFCB	7	-	-	-	7	-	-	-
FHLB	90	285	-	-	90	285	-	-
FHLMC	1	-	-	-	1	-	-	-
Total cash and investments at fair value	$ 168	$ 475	$ 65	$ 190	$ 103	$ 285	$ -	$ -

Fair Value Measurements (Captive)

	Fair Value Measurements (in millions)							
	Total		Level 1		Level 2		Level 3	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
Assets								
Cash and cash equivalents	$ 10	$ 31	$ 10	$ 31	$ -	$ -	$ -	$ -
Treasury bills	-	-	-	-	-	-	-	-
Federal agency securities:								
FNMA	12	-	-	-	12	-	-	-
FHLMC	22	13	-	-	22	13	-	-
FHLB	10	10	-	-	10	10	-	-
GNMA	7	8	-	-	7	8	-	-
Municipal bonds	43	23	-	-	43	23	-	-
All other	16	20	16	-	-	20	-	-
Total cash and investments at fair value	$ 120	$ 105	$ 26	$ 31	$ 94	$ 74	$ -	$ -

Fair Value Measurements (NYREDHC)

	Fair Value Measurements (in millions)							
	Total		Level 1		Level 2		Level 3	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
Assets								
Cash and cash equivalents	$ 4	$ -	$ 4	$ -	$ -	$ -	$ -	$ -
Treasury bills	-	-	-	-	-	-	-	-
Federal agency securities:								
FNMA	7	-	-	-	7	-	-	-
FHLMC	35	-	-	-	35	-	-	-
FHLB	-	-	-	-	-	-	-	-
GNMA	47	-	-	-	47	-	-	-
Municipal bonds	5	-	-	-	5	-	-	-
All other	-	-	-	-	-	-	-	-
Total cash and investments at fair value	$ 98	$ -	$ 4	$ -	$ 94	$ -	$ -	$ -

(12) Pension Plans

General Information

Substantially all of the Authority's employees participate in the New York State and Local Employees Retirement System ("NYSLERS") and the Public Employees' Group Life Insurance Plan ("the Plan"). These are cost-sharing multiple-employer defined benefit retirement plans.

The NYSLERS uses a tier concept to distinguish membership classes (i.e., tiers 1 through 6) with tier membership based on the date an employee joins the System. The ERS is non-contributory for tiers 1 and 2 employees who joined the NYSLERS on or prior to July 27, 1976. Tiers 3 and 4 employees, who joined the NYSLERS between July 28, 1976, and December 31, 2009, and have less than ten years of service, contribute 3% of their salary. Tier 5 employees who joined the NYSLERS on or after January 1, 2010, contribute 3% of their salary during their entire length of service. Tier 6 employees who joined the NYSLERS on or after April 1, 2012, contribute 3% of their salary through March 31, 2013, and up to 6% thereafter, based on their annual salary, during their entire length of service. Members become vested in the plan after five years of service and generally are eligible to receive benefits at age 55. The benefit is generally 1.67% of final average salary ("FAS") times the number of years of service, for members who retire with less than 20 years of service, and 2% of FAS for members who retire with 20 or more years of service. The NYSLERS provides an annual automatic cost of living adjustment to members or surviving spouses based on certain eligibility criteria.

The NYSLERS and the Plan provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). As set forth in the NYSRSSL, the Comptroller of the State of New York ("Comptroller") serves as sole trustee and administrative head of the NYSLERS and the Plan. The Comptroller adopts and may amend rules and regulations for the administration and transaction of the business of the NYSLERS and the Plan, and for the custody and control of their funds. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers.

The Authority is required to contribute at an actuarially determined rate. The average contribution rates relative to payroll for the NYSLERS fiscal years ended March 31, 2024, and March 31, 2023, were 13% and 11%, respectively. The average contribution rates relative to payroll for the NYSLERS fiscal years ending March 31, 2025, and 2026 have been set at approximately 15% and 16.5%, respectively. The required contributions for 2024 were $39 million and $32 million for 2023. The Authority's contributions to the NYSLERS were equal to 100% of the required contributions for each year.

The NYSLERS and the Plan issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, NY 12244 or may be found on the internet at www.osc.state.ny.us/retire/publications/index.php.

Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, and December 31, 2023, the Authority reported a liability of $120 million and $175 million, respectively, for its proportionate share of the net pension liability within other long-term liabilities. The NYSLERS total pension liability, which was used to calculate the NYSLERS net pension liability, was measured by NYSLERS as of March 31, 2024 (measurement date). The Authority's proportion of the net pension liability was based on a projection of the Authority's long-

term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Authority's proportionate share of the net pension liability was 0.81% as of March 31, 2024, and March 31, 2023.

For the year ended December 31, 2024, and 2023, the Authority recognized a pension expense of $52 million and $62 million, respectively. At December 31, 2024, and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	December 31, 2024		December 31, 2023	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
	(in millions)		(in millions)	
Difference between expected and actual experience	$ 39	$ 3	$ 18	$ 5
Net difference between projected and actual earnings on investments	-	59	-	1
Change of assumptions	45	-	85	1
Difference between employer contributions and proportionate share of contributions	5	4	5	4
Employer contributions subsequent to the measurement date	39	-	32	-
Total	$ 128	$ 66	$ 140	$ 11

The $39 million reported as deferred outflows of resources as of December 31, 2024, related to pension resulting from the Authority's contributions subsequent to the measurement date, will be recognized as a decrease in the net pension liability in the year ended December 31, 2025. The $32 million reported as deferred outflows of resources as of December 31, 2023, related to pension resulting from the Authority's contributions subsequent to the measurement date, was recognized as a decrease in the net pension liability in the year ended December 31, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources for December 31, 2024, and 2023, related to pension, will be recognized as a debit to pension expenses as follows (in millions):

Year Ending December	December 31, 2024 Pension Expense Debit (in millions)	December 31, 2023 Pension Expense Debit (in millions)
2024	$ -	$ 23
2025	(22)	(9)
2026	23	36
2027	35	47
2028	(13)	-
Total	$ 23	$ 97

Actuarial Assumptions

The NYSLERS total pension liability at March 31, 2024, and 2023 was determined by using the NYSLERS actuarial valuation as of April 1, 2023, and 2022, respectively with updated procedures to roll forward the NYSLERS total pension liability to March 31, 2024, and March 31, 2023, respectively. The following actuarial assumptions were used for the April 1, 2023, and 2022 NYSLERS actuarial valuation:

Actuarial cost method:	Entry age normal
Inflation rate:	2.9%
Salary increases:	4.4% annually
Investment rate of return:	5.9% compounded annually, net of investment expenses
Cost of living adjustments:	1.5% annually

The NYSLERS Annuitant mortality rates are based on April 1, 2015 – March 31, 2020, NYSLERS experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

Long-Term Expected Rate of Return

The NYSLERS long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

		December 31, 2024	December 31, 2023
Asset Type	**Target Allocation**	**Long-term Expected Real Rate**	**Long-term Expected Real Rate**
Domestic Equity	32%	4.00%	4.30%
International Equity	15%	6.65%	6.85%
Private Equity	10%	7.25%	7.50%
Real Estate	9%	4.60%	4.60%
Credit	4%	5.40%	5.43%
Opportunistic/ ARS Portfolio	3%	5.25%	5.38%
Real Asset	3%	5.79%	5.84%
Fixed Income	23%	1.50%	1.50%
Cash	1%	0.25%	0.00%
	100%		

Discount Rate

The discount rate used to calculate the total pension liability was 5.9 percent for 2024 and 2023. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the NYSLERS fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability (asset) calculated using the discount rate of 5.9 percent, as well as what the Authority's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (4.9 percent) or one percentage point higher (6.9 percent) than the current rate:

	December 31, 2024			December 31, 2023		
	1% Decrease	Current Assumption	1% Increase	1% Decrease	Current Assumption	1% Increase
Discount rate	4.9%	5.9%	6.9%	4.9%	5.9%	6.9%
The Authority's proportionate share of the net pension liability/(asset)	$377 million	$120 million	$(95) million	$422 million	$175 million	$(32) million

The NYSLERS actuary has not recommended any future changes to the actuarial assumptions used in the NYSLERS August 2024 and 2023 actuarial valuation reports.

(13) Postemployment Benefits (OPEB), Deferred Compensation and Savings and Voluntary Defined Contribution Plan

NYPA provides certain health care and life insurance benefits for eligible retired employees and their dependents under a single employer noncontributory (except for certain optional life insurance coverage) health care plan ("NYPA OPEB Plan"). Employees and/or their dependents become eligible for these benefits when the employee has reached 55 years of age and has at least 10 years of service and retires or dies while working at NYPA. Salaried employees hired after December 31, 2015, and IBEW employees hired after May 19, 2015, become eligible after 15 years of service. In addition, they will be required to contribute 50% of the active plan contribution; there will be no contribution once the transition takes place to the Medicare advantage plan.

NYPA has an established trust for OPEB obligations ("OPEB Trust"), with the trust to be held by an independent custodian. Plan members are not required to contribute to the OPEB Trust. The OPEB Trust is set up to pay for the exclusive benefit of the OPEB Trust plan participants. The funding of NYPA's OPEB Trust is at the discretion of management. Changes to NYPA OPEB Plan or OPEB Trust agreement are approved by the Authority's Trustees. NYPA made contributions on a pay-as-

you-go basis in 2024 and 2023 and did not contribute any amount beyond these contributions to the OPEB Trust.

The Canal Corporation provides health care and death benefits for eligible retired employees. Substantially all employees may become eligible for these benefits if they reach normal retirement age while working for the Canal Corporation. The Canal Corporation participates, pursuant to the provision of Section 163(4) of the New York State Civil Service Law, in the New York State Health Insurance Program ("NYSHIP"). NYSHIP does not issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the plan. To be eligible an employee must (1) retire as a member of Canal Corporation or be at least 55 years old at time of termination; (2) be enrolled in the NYSHIP on date of retirement; and (3) complete at least 10 years of service for the retiree and dependent to have coverage while the employee is living. Ten years of service are needed for continued dependent coverage upon death of the employee. The Plan currently pays a portion of the medical premium cost for retired employees and covered dependents. Additionally, the Plan reimburses retirees and covered dependents for their Medicare Part B premiums.

As of June 30, 2024, measurement date (using December 31, 2023, census information) and June 30, 2023, measurement date (using December 31, 2021, census information), the following current and former employees were covered by the benefit terms, under NYPA Plan. It is assumed that 100% of future retirees who meet the eligibility requirements will participate in NYPA OPEB plan.

	December 31, 2024	December 31, 2023
Active employees	1,989	1,964
Inactive employees and beneficiaries, receiving and/or entitled to benefits	2,790	2,755
Total	4,779	4,719

As of June 30, 2024, measurement date (using census information as of May 1, 2024) and June 30, 2023, measurement date (using census information as of May 1, 2022), the following current and former employees were covered by the benefit terms, under the Canal Retiree Health Plan. It is assumed that 100% of future retirees who meet the eligibility requirements will participate in the OPEB plan.

	December 31, 2024	December 31, 2023
Active employees, including opt-out (actives not in medical plan)	449	423
Inactive employees and beneficiaries, receiving and/or entitled to benefits	698	661
Total	1,147	1,084

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, and 2023, the Authority recognized OPEB expense credit of $(39) million and $(25) million, respectively. At December 31, 2024, and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	December 31, 2024		December 31, 2023	
	Deferred outflows	**Deferred inflows**	**Deferred outflows**	**Deferred inflows**
	(in millions)		(in millions)	
Differences between expected and actual experience	$ 5	$ 6	$ 7	$ 2
Changes in assumptions	2	108	5	122
Investment Earnings	64	62	105	66
Employer contributions subsequent to the measurement date	11	-	11	-
Total	$ 82	$ 176	$ 128	$ 190

The $11 million reported as deferred outflows of resources as of December 31, 2024, related to OPEB resulting from the Authority's contributions subsequent to the measurement date, will be recognized as a reduction of the total OPEB liability in the following year. The $11 million reported as deferred outflows of resources as of December 31, 2023, related to OPEB resulting from the Authority's contributions subsequent to the measurement date, was recognized as a reduction of the total OPEB liability in the year ended December 31, 2024. The remaining $105 million and $73 million reported as net inflows of resources for December 31, 2024, and 2023, respectively, related to OPEB, will be recognized as credit in OPEB expense as follows:

	December 31, 2024	December 31, 2023
Year Ending December	**OPEB Expense Credit (in millions)**	**OPEB Expense Credit (in millions)**
2024	$ -	$ (36)
2025	(40)	(25)
2026	(15)	-
2027	(25)	(11)
2028	(16)	(1)
2029	(8)	-
2030	(1)	-
Total	$ (105)	$ (73)

Net OPEB Liability

The Authority's net OPEB liability (asset) was measured as of June 30, 2024, based on valuation results as of December 31, 2023, for NYPA's plan and May 1, 2024, for the Canal plan, projected to the measurement date on a no gain/loss basis. The Authority's net OPEB liability (asset) was measured as of June 30, 2023, based on valuation results as of December 31, 2021, for NYPA's plan

and May 1, 2022, for the Canal plan, projected to the measurement date on a no gain/loss basis. The Authority's net OPEB asset of $213 million and $112 million as of December 31, 2024, and 2023, respectively, is recorded in other long-term assets in the Authority's consolidated statement of net position.

The following table shows the components of the Authority's changes in its total OPEB liability, the OPEB fiduciary net position, and the net OPEB (asset) during the measurement period ending June 30, 2024, and 2023.

	December 31, 2024			December 31, 2023		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (asset)	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (asset)
	Increase (Decrease) (in millions)			Increase (Decrease) (in millions)		
Balance - beginning of year	$ 635	$ 747	$ (112)	$ 609	$ 683	$ (74)
Service cost	14	-	14	14	-	14
Interest	45	-	45	43	-	43
Change of benefit terms	1	-	1	-	-	-
Differences between expected and actual experience	(6)	-	(6)	(1)	-	(1)
Changes of assumptions	(42)	-	(42)	-	-	-
Contributions - employer	-	30	(30)	-	29	(29)
Net investment income	-	87	(87)	-	74	(74)
Benefit payments	(30)	(30)	-	(30)	(30)	-
Administrative expense	-	(4)	4	-	(9)	9
Net changes	(18)	83	(101)	26	64	(38)
Balance - end of year	$ 617	$ 830	$ (213)	$ 635	$ 747	$ (112)

The components of the net OPEB asset at June 30, 2024, were as follows (in millions):

Total OPEB liability	$ 617
Plan fiduciary net position	(830)
Net OPEB asset	$ (213)
Plan fiduciary net position as a percentage of the total OPEB liability	135%

The components of the net OPEB asset at June 30, 2023, were as follows (in millions):

Total OPEB liability	$	635
Plan fiduciary net position		(747)
Net OPEB asset	$	(112)
Plan fiduciary net position as a percentage of the total OPEB liability		118%

Actuarial Assumptions

The total OPEB liability in June 30, 2024 measurement was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return:	7.00%
Healthcare Cost Trend Rates:	Pre-Medicare Medical – 8.00 percent for 2024, decreasing 0.25 percent per year to an ultimate rate of 4.50 percent for 2038 and later years. Post-Medicare Medical – 5.00 percent for 2024, decreasing to an ultimate rate of 4.50 percent for 2034. Prescription drugs (Rx) – 10.50 percent for 2024, decreasing to an ultimate rate of 4.50 percent for 2038. Medicare Advantage – 4.0 percent for gross costs, 3.5 percent for Medicare reimbursements, reimbursement assumed to cover a minimum of 85 percent of gross costs.
Salary increases:	Varies by service, average of 8.80 percent for first year of service, 4.95 percent for 5 years of service, 4.18 percent for 10 years of service, 3.63 percent for 15 years of service, and 3.30 percent for 20 years or more of service.
Mortality:	The General Pub-2010 headcount weighted tables were used for active employees and healthy retirees and dependents, while the corresponding Contingent Survivor mortality tables were used for surviving spouses and the corresponding Disabled Retiree mortality tables were used for disabled participants. To project mortality improvement for years after 2010, the MP-2021 Projection Scale is applied on a fully generational basis to the base rates.

The total OPEB liability in June 30, 2023 measurement was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return:	7.00%
Healthcare Cost Trend Rates:	Pre-Medicare Medical – 6.50 percent for 2022, decreasing 0.25 percent per year to an ultimate rate of 4.50 percent for 2030 and later years. Post-Medicare Medical – 5.50 percent for 2022, decreasing to an ultimate rate of 4.50 percent for 2030. Prescription drugs (Rx) – 7.50 percent for 2022, decreasing to an ultimate rate of 4.50 percent for 2030. Medicare Advantage – 4.0 percent for gross costs, 3.0 percent for Medicare reimbursements, reimbursement assumed to cover a minimum of 85 percent of gross costs.
Salary increases:	Varies by service, average of 8.80 percent for first year of service, 4.95 percent for 5 years of service, 4.18 percent for 10 years of service, 3.63 percent for 15 years of service, and 3.30 percent for 20 years or more of service.
Mortality:	The General Pub-2010 headcount weighted tables were used for active employees and healthy retirees and dependents, while the corresponding Contingent Survivor mortality tables were used for surviving spouses and the corresponding Disabled Retiree mortality tables were used for disabled participants. To project mortality improvement for years after 2010, the MP-2021 Projection Scale is applied on a fully generational basis to the base rates

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates (expected returns net of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Type	December 31, 2024 Target Allocation	December 31, 2024 Long-term Expected Real Rate	December 31, 2023 Target Allocation	December 31, 2023 Long-term Expected Real Rate
Domestic Equity	32%	6.7%	30%	7.0%
International Equity	18%	7.3%	20%	6.9%
Fixed Income	11%	4.9%	20%	4.6%
Real Estate & Infrastructure	13%	7.1%	13%	7.0%
Private Equity	15%	10.1%	10%	10.1%
Private Debt	10%	9.0%	5%	9.1%
Cash	1%	3.4%	2%	3.4%
	100%		100%	

Rate of Return

For NYPA OPEB Plan year ended June 30, 2024, and 2023, the annual money-weighted rate of return on investments, net of investment expense, was 11.4 percent and 10.3 percent, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to calculate the total OPEB liability was 7% for 2024 and 2023, which is the long-term rate of return on the OPEB Trust assets. The projection of cash flows used to determine the discount rate assumed that the Authority would contribute at a rate equal to the average of contributions made over the most recent five-year period (2019 through 2024 for 2024 and 2018 through 2023 for 2023), and that contributions apply first to service cost of current and future plan members and then to past service costs. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees for the foreseeable future.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

Changes in the discount rate affect the measurement of the total OPEB liability. The following table depicts the Authority's Net OPEB liability / (asset), as well as the sensitivity of using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current discount rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net OPEB Liability / (Asset) (In millions)	$ (145)	$ (213)	$ (289)	$ (28)	$ (112)	$ (181)

Sensitivity of the Net OPEB Liability / (Asset) to Changes in the Healthcare Cost Trend Rates

Changes in the healthcare cost trends affect the measurement of the total OPEB liability. The table below shows the sensitivity of the net OPEB liability / (asset) to the changes in the healthcare cost trends:

	December 31, 2024			December 31, 2023		
	1% Decrease	Current Healthcare Trend Rate	1% Increase	1% Decrease	Current Healthcare Trend Rate	1% Increase
Net OPEB Liability / (Asset) (In million)	$ (291)	$ (213)	$ (141)	$ (189)	$ (112)	$ (16)

Deferred Compensation, Savings Plans and Voluntary Defined Contribution (VDC) Plan

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. This plan permits participants to defer a portion of their salaries until future years. Amounts deferred under the plan are not available to employees or beneficiaries until termination, retirement, death or unforeseeable emergency. The Authority does not contribute to this plan.

The Authority also offers salaried employees a savings plan created in accordance with Internal Revenue Code, Section 401(k) as applicable. This plan also permits participants to defer a portion of their salaries. The Authority matches the contributions of employees up to limits specified in the plan. Matching annual contributions were $6 million for both 2024 and 2023.

Both the deferred compensation plan and the savings plan may have a loan feature, based on the plan guidelines.

Independent trustees, represented by a committee of union representatives and nonunion employees as applicable, are responsible for the administration of the 457 and 401(k) plan assets. Various investment options are offered to employees in each plan. Employees are responsible for making the investment decisions relating to their savings plans.

The Authority offers its employees either a pension plan (Refer note 12 above) or VDC plan. A defined contribution retirement plan option (the VDC program) is made available to the Authority employees hired on or after July 1, 2013, who are not participating in the NYSLERS and who earn at the rate of pay of $75,000 or more annually. The VDC Program was created as an alternate to the traditional NYSLERS retirement plan option to help employees of public agencies/employers (meeting certain eligibility criteria) to build retirement plan accumulations that will help provide retirement income to meet their retirement goals. The Authority matches the contributions of employees up to the limits specified in the plan. The VDC includes a 366-day vesting period, after which a participant has full and immediate vesting in all retirement benefits provided by the annuities purchased through the employee and employer contributions. The employer and employee contributions are not deposited into accounts until the completion of the 366-day vesting period. The VDC is the employee's personal retirement account and is supported by employer and employee contributions plus any applicable earnings. A participant's income in retirement will be determined by the account balance. The Authority contributed $4 million to this plan in both 2024 and 2023.

(14) Nuclear Plant Divestiture and Related Matters

On November 21, 2000, NYPA sold the James A. Fitzpatrick nuclear plant (JAF) and the Indian Point 3 nuclear plant (IP3) to two subsidiaries of Entergy Corporation (collectively, Entergy or the Entergy Subsidiaries). On March 31, 2017, Entergy transferred JAF to Exelon Generation Company, LLC (Exelon).

In accordance with the Nuclear Waste Policy Act of 1982, in June 1983, NYPA entered into a contract with the U.S. Department of Energy (DOE) under which DOE, commencing not later than January 31, 1998, would accept and dispose of spent nuclear fuel. In conjunction with the sale of the nuclear plants, NYPA's contract with the DOE was assigned to Entergy. Entergy assigned the portion of the pre-1983 spent fuel obligation applicable to JAF to Exelon in connection with the sale of JAF to Exelon. NYPA remains liable for the pre-1983 spent fuel obligation to Exelon for JAF and to Entergy for IP3, which as of December 31, 2024, and 2023, were $258 million and $245 million, respectively.

(15) Power Purchase Agreements ("PPA's")

The Authority does not have any PPA's that have a fixed charge provision or fixed cost. As and when such PPA's are executed, they will be reflected in the Notes to the Authority's Consolidated Financial Statements.

The Authority executed PPAs for solar photovoltaic ("PV") projects with Ameresco, Inc. (the "developer") on July 7, 2023, requiring the Authority to pay the developer for electricity received from the renewable facilities and recover the payments from the City Of New York (the "Purchaser"), acting through its Department of Citywide Administrative Services ("DCAS") via the Power Sales Contract (the "PSC"). The Authority also executed four PPAs with the developer for battery energy storage systems ("BESS") on June 29, 2024, and August 6, 2024, requiring the Authority to pay the developer 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 1-year, in which the Authority will cover the payments to the developer. If there is no cure, the developer has no claim to the Authority so long as the Authority or developer is pursuing recovery from DCAS under the terms of the PSC. The total value of the PPAs with Ameresco, Inc. is $320 million over 20 years, the annualized amount being $16 million.

The Authority has also entered into various other PPAs, $100 million, with developers that require the Authority to pay the developers for the electricity received from renewable facilities and recover the payments from the New York Convention Center Operating Corporation, and the Port Authority via Power Sales Contracts. The annualized amount for the PPA entered on behalf of New York Convention Center Operating Corporation is $2.7 million over 25 years, and on behalf of Port Authority is $1 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 agreements that are 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' New York City 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 New York City

Governmental Customers. An equal amount of revenue is recognized during the period related to reimbursements from the New York City Governmental Customers.

(16) Purchased Power Cost

The Authority purchased power for $678 million in 2024 and $605 million in 2023 in the open market, with the entire cost passed through to its customers. Power purchased in the open market is a function of customer demand and, as such, varies month to month. The Authority is under no obligation to purchase power unless customer demands require such purchases, in which case the entire cost is recovered over the monthly billing cycle. In the event of failure to receive payment for any monthly purchase the Authority will not make any further purchases. No purchase was made under any PPA except for AEII for the reporting period. See Note 15 above for any PPAs.

(17) Captive Insurance

On September 29, 2022, the Authority's Trustees approved the formation of a subsidiary corporation called the NYPA Captive Insurance Company (the "Captive"), and the Authority filed its 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 the Captive, and the Captive's Board of Directors held an organization meeting on May 25, 2023. On May 25, 2023, the Authority also contributed $250,000 as its initial capital contribution to the Captive. An additional $99,750,000 of capital contribution was made on August 8, 2023, bringing the total contribution to $100 million. The DFS issued the requisite license to operate, to the Captive, on July 25, 2023.

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

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

The Captive filed the audited financial statements with the DFS on June 28, 2024, as required by Section 7006 of the New York State("NYS") Insurance Law.

(18) Renewables

The Power Authority Act was amended in 2023 to, among other things, provide the Authority with the power to create one or more subsidiaries for the purpose of financing, developing and operating renewable energy generating projects in support of the State's renewable energy goals established in the New York State Climate Leadership and Community Protection Act, Chapter 106 of the Laws of 2019 (the "CLCPA"). Pursuant to such authority, the Authority formed a subsidiary under the New York Business Corporation Law.

The Authority evaluated opportunities to pursue projects under the Expanded Authority and on November 21, 2024 incorporated NYREDHC. NYREDHC is authorized to carry out the Authority's renewable energy business and strategy as provided under the Expanded Authority.

The Authority expects that the activities of NYREDHC, as a separate legal entity from the Authority, will be conducted in a manner such that the Authority is not expected to be responsible for the financial or other obligations of NYREDHC. On December 31, 2024, the Authority funded NYREDHC with $100 million from amounts released from the lien of the Trust Estate created by the General Resolution. The Authority expects to execute a shared services agreement with NYREDHC under which NYREDHC will be required to reimburse the Authority for costs of providing services.

The Expanded Authority allows the Authority to pursue renewable generation projects like solar, wind, geothermal, and battery storage, either on its own or with third parties, and created a mechanism to develop clean energy workforce training programs and a bill credit program for low- and medium-income residential electricity ratepayers that will be funded by some of the proceeds earned form new renewable generation projects and other sources, including, for example, charitable donations from renewable project developers. As part of the Expanded Authority Legislation, the Authority is required to end fossil fuel-based electricity generation at its SNGPPs by the end of 2030 subject to the approval of the NYISO and ConEd. The Authority will also consider, as appropriate, but not limited to, opportunities to use these sites to host renewable energy assets, including energy storage.

(19) Commitments and Contingencies

a) Power Programs

ReCharge New York Power Program

Chapter 60 (Part CC) of the Laws of 2011 (Chapter 60) established the “ReCharge New York Power Program” (“RNYPP”), administered by the Authority, which has as its central benefit up to 910 MW of low-cost power comprised of up to 455 MW of hydropower from the Niagara and St. Lawrence-FDR Projects and up to 455 MW of other power procured by the Authority from other sources. The 910 MW of power is available for allocation as provided by Chapter 60 to eligible new and existing businesses and not-for-profit corporations under contracts of up to seven years. RNYPP was effective beginning July 1, 2012.

The hydropower used for the RNYPP was power formerly used to provide low-cost electricity to domestic and rural customers of the three private utilities that serve upstate New York. To mitigate the impacts from the redeployment of this hydropower for the RNYPP, Chapter 60 created a “Residential Consumer Discount Program” (“RCDP”). The RCDP authorized the Authority, as deemed feasible and advisable by its Trustees, to provide annual funding of $100 million for the first three years following withdrawal of the hydropower from the residential and farm customers, $70 million for the fourth year, $50 million for the fifth year, and $30 million each year thereafter, for the purpose of funding a RCDP for those customers that had formerly received the hydropower that is utilized in the RNYPP. Chapter 60 further authorized the Authority, as deemed feasible and advisable by the Authority’s Trustees, to use revenues from the sales of hydroelectric power, and such other funds of the Authority, as deemed feasible and advisable by the Authority’s Trustees, to fund the RCDP. The Authority’s Trustees have authorized the release of a total $660 million in support of the RCDP out of which the Authority paid out $631 million as of December 31, 2024.

Part QQ of Chapter 56 of the Laws of 2023 (“Chapter 56”), which is part of the 2023-24 Enacted State Budget, made the following changes to the RCDP: (1) sunsets the residential consumer electricity discount component of the RCDP as of August 1, 2023; (2) authorizes NYPA to continue to fund the agricultural consumer electricity discount component for one additional program year (August 1, 2023-July 31, 2024) at the current annual level of up to $8 million; and (3) authorizes NYPA, for

program years thereafter, to fund the agricultural consumer electricity discount up to an annual amount of $5 million.

Western New York Power Proceeds Allocation Act

Effective March 30, 2012, Chapter 58 (Part GG) of the Laws of 2012 (Chapter 58) created the Western New York Power Proceeds Act ("WNYPPA"). The WNYPPA authorizes the Authority, as deemed feasible and advisable by the Authority's Trustees, to deposit net earnings from the sale of unallocated Expansion Power and Replacement Power from the Authority's Niagara project into an account administered by the Authority known as the Western New York Economic Development Fund ("WNYED Fund"). Net earnings are defined as any excess revenues earned from such power sold into the wholesale market over the revenues that would have been received had the power been sold at the Expansion Power and Replacement Power rates. Proceeds from the Fund may be used to support eligible projects undertaken within a 30-mile radius of the Niagara power project that satisfy applicable criteria. Chapter 58 also establishes a five-member Western New York Power Allocations Board, which is appointed by the Governor. Chapter 58 also repealed Chapter 436 of the Laws of 2010 which had created a similar program that could not be effectively implemented.

The Authority's Trustees approved the release of up to $101 million in net earnings calculated for the period August 30, 2010, through December 31, 2024, as provided in the legislation, for deposit into the WNYED Fund. As of December 31, 2024, approximately $92 million has been deposited into the Fund. The Authority has approved awards of approximately $53 million to businesses and made payments of approximately $37 million as of December 31, 2024. Payment of these awards is contingent upon the execution of acceptable contracts between the Authority and individual awardees.

Northern New York Power Proceeds Allocation Act

Chapter 545 of the Laws of 2014 enacted the "Northern New York Power Proceeds Act" ("NNYPPA"). The NNYPPA authorizes the Authority, as deemed feasible and advisable by the 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 the Authority would administer known as the Northern New York Economic Development Fund ("NNYED Fund"), and to make awards to eligible applicants that propose eligible projects that satisfy applicable criteria. The NNYPPA also establishes a five-member Northern New York Power Allocations Board appointed by the Governor to review applications seeking NNY Fund benefits and to make recommendations to the Authority concerning benefits awards.

SLCEDP consists of up to 20 MW of hydropower from the Authority's 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 into in 2012 ("Authority-MED Contract"). The NNYPPA defines "net earnings" as the aggregate excess of revenues received by the Authority from the sale of energy associated with SLCEDP 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 5 years after enactment, the amount of SLCEDP the Authority could use to generate net earnings may 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.

As of December 31, 2024, the Authority's Trustees approved the release of funds, of up to $19 million, into the NNYED Fund representing "net earnings" from the sale of unallocated SLCEDP into the wholesale energy market for the period December 29, 2014, through December 31, 2024. As of December 31, 2024, approximately $10 million has been deposited into the Fund. As of December 31, 2024, the Authority has approved awards of NNYED Fund money totaling approximately $4 million to businesses that have proposed eligible projects and made payments totaling approximately $1 million to such businesses. Payment of approved awards of the NNYED Fund money is contingent upon the execution of acceptable contracts between the Authority and individual awardees.

b) Governmental Customers in the New York City Metropolitan Area

In 2017 and 2018, NYPA executed new supplemental long-term electricity supply agreements ("Supplemental LTAs") with its eleven NYC Governmental Customers, the largest of these customers include the Metropolitan Transportation Authority, the City of New York, the Port Authority, the New York City Housing Authority, and the New York State Office of General Services. Under the Supplemental LTAs, the NYC Governmental Customers agreed to purchase their electricity from NYPA 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 NYPA and the NYC Governmental Customers may terminate the agreement upon at least six months' notice. Under the Supplemental LTA's, fixed costs for NYPA's services as well as Zeltmann plant were contractually set for each customer, and the fixed agreed amounts are recovered from the customers regardless of their load usage. Variable costs, including fuel, purchased power and NYISO-related costs, each year are 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. For years 2023-2027, to provide better price certainty, NYPA is offering an annual fixed price energy purchase option to the NYC Governmental Customers.

NYPA's other Southeastern New York governmental customers are Westchester County and numerous municipalities, school districts, and other public agencies located in Westchester County (collectively, the "Westchester Governmental Customers"). NYPA has entered into an evergreen supplemental electricity supply agreement with all 103 Westchester Governmental Customers. Among other things provided by the agreement, customers can partially terminate service from NYPA 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 NYPA'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 priced transmission congestion contracts, all help to offset the cost of the energy purchased, with an energy charge adjustment mechanism in place for cost reconciliation.

HTP Transmission Line

In 2011 the Authority's Trustees authorized Authority staff to enter into an agreement with Hudson Transmission Partners, LLC ("HTP") for the purchase of capacity to meet the long-term requirements of the Authority's NYC Governmental Customers and to improve the transmission infrastructure serving New York City through the transmission rights associated with HTP's transmission line (the "Line") extending from Ridgefield, New Jersey in the PJM Interconnection, LLC ("PJM") transmission system, to Consolidated Edison Company of New York, Inc.'s ("Con Edison") West 49th Street substation. Specifically, the Authority executed a Firm Transmission Capacity Purchase Agreement ("FTCPA") with HTP under which the Authority gained the entitlement to 75% of the Line's 660 MW capacity, or 495 MW, for 20 years. On March 31, 2017, the Authority and HTP amended the FTCPA

to, among other changes, (a) create a mechanism for HTP to relinquish its Firm Transmission Withdrawal Rights ("FTWRs") as discussed below and (b) increase the Authority's portion of the Line's capacity to 87.12%, or 575 MW, at a monthly capacity charge rate that represents a decrease in the unit price (on a $/MW-month basis) paid to HTP in the original FTCPA.

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

It is estimated that the revenues derived from the Authority's rights under the FTCPA will not be sufficient to fully cover the Authority's costs under the FTCPA during the 20-year term of the FTCPA. As of December 31, 2024, the Authority estimated that its under-recovery of costs for the Line could be in the range of approximately $80 million to $90 million per year over the period from 2025-2028. The under-recovery estimates were based on projections of the capacity payment obligations, the costs of interconnection and transmission upgrades and energy revenues.

The Authority's obligations under the FTCPA include payment of the RTEP charges allocated to HTP. From June 2013 through December 2024, the Authority has paid approximately $173 million in RTEP charges for the Line. Effective 2018, HTP relinquished the FTWRs held by HTP on the Line that were the basis for a significant share of its RTEP allocations. PJM's annual RTEP cost allocation update for 2018 eliminated the Authority's obligation in 2018 and beyond to pay RTEP charges related to the Bergen Linden Corridor ("BLC") project, which accounted for the bulk of the projected RTEP allocations to HTP.

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

While PJM had determined that the Authority had no RTEP payment responsibility starting in 2018 because of HTP's FTWR relinquishment, in 2020, FERC reversed PJM's determination over the Authority's objections and held that a portion of the RTEP charges assignable to the HTP facility dating back to 2018 had to be reinstated as they were unrelated to whether HTP had retained FTWRs. These reinstated RTEP charges were for projects other than the BLC project. FERC authorized PJM to begin collection for the back periods starting in August 2020. The Authority is accruing approximately $1 million per month through the term of the agreement which ends in 2033. Depending on PJM TO's Annual Revenue Requirement, the RTEP charges could trend downward during the out years. The Authority contested the 2020 FERC order and appealed it to the D.C. Circuit Court of Appeals. The Authority's appeal was rejected by the D.C. Circuit on July 26, 2024, thus leaving these RTEP/TEC allocations in place. The Authority determined that it would not seek rehearing or appeal of the D.C. Circuit decision, thus closing the matter.

c) 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 Small Natural Gas Power Plants

("SNGPPs"), consisting of seven facilities located at six sites in New York City and one site in the service region of Long Island Power Authority. Three of the units have a single natural-gas-fueled combustion turbine electric generation units, while four of the sites have two units.

As a result of the settlement of litigation relating to one SNGPP site (the "Site"), NYPA has agreed under the settlement agreement to cease operations at the Site, which houses two units, under certain conditions and if the Mayor of New York City directs such cessation. No such cessation has occurred. Regarding the Site, the settlement agreement also allows an adjacent landowner to put its real property to NYPA under certain conditions. No formal put notice has been received. Also, regarding the Site, NYPA and an adjacent landowner may enter into buy, sell or other types of agreements outside the terms of the settlement agreement.

On May 3, 2023, Chapter 56 of the Laws of 2023 was enacted as a part of the 2023-2024 Enacted State Budget. Among other things, the law directed NYPA to publish, within two years of enactment, a plan to deactivate NYPA's small natural gas power plants. The enactment requires NYPA to deactivate the SNGPPs by the end of 2030 subject to the plants not being needed for emergency power or power system reliability and providing that NYPA may retain plants if emissions for other generation would cause more than a de minimis increase in emissions of carbon dioxide or other criteria air pollutants within a disadvantaged community.

As part of the Authority's strategy to meet the legislative mandate, the Authority is on schedule to publish a plan by May 5, 2025, to stop generating electricity with fossil fuel at the SNGPPs by the end of 2030, if conditions allow. The plan could include potential alternative usages at these sites such as battery storage.

d) Legal and Related Matters

St. Regis Litigation

In 1982 and again in 1989, several groups of Mohawk Indians, including a Canadian Mohawk tribe, filed lawsuits ("the St. Regis litigation") against the State, the Governor of the State, St. Lawrence and Franklin counties, the St. Lawrence Seaway Development Corporation, the Authority, and others (the "Defendants"), claiming ownership to certain lands in St. Lawrence and Franklin counties and to Barnhart, Long Sault and Croil islands. These islands are within the boundary of the Authority's St. Lawrence-FDR Project and Barnhart Island is the location of significant Project facilities. Settlement discussions were held periodically between 1992 and 1998. In 1998, the Federal government intervened on behalf of all Mohawk plaintiffs.

The parties agreed to a land claim settlement, dated February 1, 2005, which if implemented would have included, among other things, the payment by the Authority of $2 million a year for 35 years to the tribal plaintiffs and the provision of up to 9 MW of low-cost Authority power at the preference rate 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 of New York, representing various defendants including St. Lawrence County and the Authority, outlined a framework for a potential settlement of all the St. Regis land claims, formalized in a Memorandum of Understanding ("St. Regis MOU") with the plaintiff, St. Regis Mohawk Tribe. After various discussions, the defendants agreed to a negotiated settlement in the St. Regis MOU that would require the Authority to pay the plaintiff $2 million a year for 35 years and provide up

to 9 MW of its hydropower at preference power rates to serve the needs of the Tribe's Reservation. The St. Regis MOU would require an Act of Congress to become effective.

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.

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 each appealed to the Appellate Division, Second Department. The appeal is now fully briefed, and the parties are waiting for the Court to schedule a date for oral argument.

Other Actions or Claims

In addition to the matters described above, other actions or claims against the Authority are pending for the taking of property in connection with its projects, for negligence, for personal injury (including asbestos-related injuries), in contract, and for environmental, employment and other matters. All such other actions or claims will, in the opinion of the Authority, be disposed of within the amounts of the Authority's insurance coverage, where applicable, or the amount which the Authority has available therefore and without any material adverse effect on the business of the Authority. While the Authority cannot presently predict the outcome of the matters described above or any related litigation, the Authority believes that it has meritorious defenses and positions with respect thereto. However, adverse decisions of a certain type in the matters discussed above could adversely affect Authority operations and revenues.

e) Leases

Lessee Arrangements

Under the provisions of GASB No. 87, the lease obligations represent the net present value of various contracts including property leases. The value of the asset and the obligation is reduced each month to properly reflect the remaining net present value of the asset and obligation.

Below is a description of these lease arrangements:

(i) Property Leases

The Authority leases properties throughout the New York area in order to serve its customers. These sites include its offices, EV charging sites and warehouses. While terms vary by lease, each lease provides for a monthly lease payment subject to a fixed escalation on the anniversary date of each agreement. None of the leases contain provisions for variable payments or residual value guarantees. Additionally, there are no other payments such as residual value guarantees or termination penalties, not previously included in the measurement of the lease liability reflected as outflows of resources in 2024 and 2023. At December 31, 2024, the right-to-use lease asset for property leases amounted to approximately $30 million, net of $6 million of accumulated amortization, with a corresponding lease liability of $16 million. At December 31, 2023, the right-to-use lease asset for property leases amounted to approximately $12 million, net of $2 million of accumulated amortization, with a corresponding lease liability of $10 million.

The Authority has $16 million of principal and $2 million of interest requirements to maturity for the Authority's leases from 2024-2035.

Lessor Arrangements

The Authority receives contractually determined revenue related to leasing agreements. While terms vary by lease, each lease provides for lease receipts subject to a fixed escalation on the anniversary date of each agreement. These arrangements do not provide for any variable payments. There were no additional payments received other than the rental payments. The total amount of lease revenue and interest revenue in 2024 was $2 million and $1 million, respectively. At December 31, 2024, the lease asset receivable and the corresponding deferred inflow of resources were approximately $51 million and $43 million, respectively. The total amount of lease revenue and interest revenue in 2023 was $3 million and $2 million, respectively. At December 31, 2023, the lease asset receivable and the corresponding deferred inflow of resources were approximately $51 million and $45 million, respectively.

Presented below is a summary of future receipts that are included in the measurement of the lease receivable, showing principal and interest separately, for each of the five subsequent fiscal years and in five-year increments thereafter:

Year	Principal	Interest	Total
		(in millions)	
2025	$ -	$ 1	$ 1
2026	1	1	2
2027	2	1	3
2028	2	1	3
2029	2	1	3
2030-34	10	5	15
2035-39	13	3	16
2040-44	17	2	19
2045-49	4	-	4
Total	$ 51	$ 15	$ 66

f) Subscription-based information Technology Arrangements ("SBITA")

In 2023, the Authority adopted the provisions of GASB No. 96, effective January 1, 2023, for agreements whereby the Authority has the right to obtain the present service capacity from the use of the underlying IT asset and the right to determine the nature and manner of use of the underlying IT asset for a period greater than one year.

At December 31, 2024, the right-to-use subscription assets amounted to approximately $81 million, net of $22 million of accumulated amortization, included in capital assets, with a corresponding subscription liability of $33 million on the Consolidated Statements of Net Position. At December 31, 2023, the right-to-use subscription assets amounted to approximately $36 million, net of $6 million of accumulated amortization, included in capital assets, with a corresponding subscription liability of $22 million on the Consolidated Statements of Net Position.

Year	Principal	Interest	Total
		(in millions)	
2025	$ 14	$ 1	$ 15
2026	10	1	11
2027	5	-	5
2028	4	-	4
Total	$ 33	$ 2	$ 35

g) Relicensing of Niagara - New York State Office of Parks, Recreation and Historic Preservation

FERC issued the Authority a new 50-year license for the Niagara project effective September 1, 2007. In doing so, FERC approved six relicensing settlement agreements entered by the Authority with various public and private entities. The Authority had estimated that the capital cost associated with the relicensing of the Niagara project would be approximately $495 million of which approximately $472 million has been disbursed. This estimate does not include the value of the power allocations and operation and maintenance expenses associated with several habitat and recreational elements of the settlement agreements. As of December 31, 2024, the balance in the recorded liability associated with Niagara relicensing on the consolidated statement of net position is $188 million ($12 million in current and $176 million in other noncurrent liabilities). As of December 31, 2023, the balance in the recorded liability associated with the Niagara relicensing on the consolidated statement of net position is $189 million ($13 million in current and $176 million in other noncurrent liabilities). In addition to internally generated funds, the Authority had issued additional debt obligations to fund, among other things, Niagara relicensing costs. The costs associated with the relicensing of the Niagara project, including the debt issued, therefore, were incorporated into the cost-based rates of the project.

The Authority executed the Relicensing Settlement Agreement Addressing New License Terms and Conditions (“Settlement Agreement”) entered into by several parties to the relicensing of the Niagara Project, including The New York State Office of Parks, Recreation and Historic Preservation (“OPRHP”). The Settlement Agreement provides, among other things, for the establishment of a Relicensing Settlement Agreement State Parks Greenway Fund, which is to be funded by the Authority in the amount of $3 million per year to OPRHP for the term of the 50-year License. In 2012 and 2017, OPRHP requested that the Authority accelerate such payments by making two lump sum payments of approximately $25 million each to pay for authorized projects. In order to make the lump sum payments, the Authority issued (a) $25 million in Subordinated Notes, Series 2012 and (b) $25 million in Subordinated Notes, Series 2017. The proceeds of those subordinated note issuances were made available to OPRHP. On May 22, 2024, the Authority defeased $15 million Subordinated Notes, Series 2012, and $20 million Subordinated Notes Series 2017. As of December 31, 2024, there were no Subordinated Notes outstanding. See Note 8 “Long-Term and Short-Term Debt” of the notes to the consolidated financial statements. In addition to the funds what were accelerated with the proceeds from the Subordinate Notes, the Authority made a $2 million payment to the OPRHP State Parks Greenway Fund in 2024.

h) St. Lawrence-FDR Project Relicensing – Local Task Force Agreement

In 2003, FERC approved a Comprehensive Relicensing Settlement Agreement (“Relicensing Agreement”) reached by the Authority and numerous parties and issued the Authority a new 50-year license for the St. Lawrence-FDR Project (“St. Lawrence-FDR License”).

The St. Lawrence-FDR Power Project No. 2000 Relicensing Agreement (“LGTFSA”) between the Authority and the Local Government Task Force (“LGTF”) provided for a review of the LGTFSA every ten years to discuss issues not contemplated at the time of relicensing in 2003. The first such review commenced in December 2013. The Authority and the LGTF entered into an agreement in 2015 in which the Authority agreed to commit and the Authority’s Trustees authorized up to $45 million over 10 years for certain actions, including to: (1) fund an economic development strategic marketing study (the “Marketing Study”); (2) temporarily reduce electricity costs for certain farms and businesses (the “Discount Program”); (3) initiate an energy efficiency and renewable energy program for the LGTF communities; and (4) enhance certain recreational facilities in the LGTF communities.

In 2016, the Authority’s Trustees approved a proposal to terminate the Discount Program early and repurpose funding to be used to support a collaborative marketing effort between the Authority and

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

As of December 31, 2024, the Authority has spent approximately $42 million of the $45 million authorized by the Trustees for the purpose of implementing the commitments in the first LGTF 10-Year Review Agreement. As of December 31, 2024, the balance in the recorded liability associated with the St. Lawrence-FDR Project relicensing on the consolidated statement of net position is $31 million ($3 million in current and $28 million in other noncurrent liabilities).

A tentative agreement has been reached for the second 10-Year Review and is expected to be submitted to the Trustees in March, a total commitment from the Authority is approximately $20 million.

i) Relicensing of Blenheim-Gilboa Pumped Storage Power Project

FERC issued a new 50-year operating license, effective May 1, 2019, to NYPA for the Blenheim-Gilboa Pumped Storage Power Project. In 2019, the Authority's Trustees accepted the new license and approved the settlement package with state and federal resource agencies, the towns of Gilboa and Blenheim, and Schoharie County. The Authority's Trustees also authorized $37 million in capital expenditures for the period 2019-2069 for all compliance, implementation, and settlement activities. The Authority has spent $10 million through December 31, 2024. The Authority has established a Recreation Fund in the amount of $4 million (total commitment under the settlement package is $6 million) of which $4 million has been disbursed and an Ecological Fund in the amount of $2 million (total commitment under the settlement package is $4 million), of which $2 million has been disbursed. As of December 31, 2024, the balance in the recorded liability associated with the Blenheim-Gilboa Pumped Storage Power Project relicensing on the consolidated statement of net position is $20 million ($1 million in current and $19 million in other noncurrent liabilities).

j) Construction Contracts

Estimated costs to be incurred on outstanding contracts in connection with the Authority's construction programs aggregate to approximately $951 million at December 31, 2024.

(20) Other Developments

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. As of December 31, 2024, the Authority has spent approximately $574 million: $515 million in capital and $59 million in non-recurring O&M Investment. As of December 31, 2023, the Authority has spent approximately $541 million: $482 million in capital and $59 million in non-recurring O&M Investment. The Transmission LEM Program encompasses 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. Reinvestment

in this strategic component of the Authority's overall mission 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. The work on the Transmission LEM Program is underway and is expected to continue through 2033.

Lewiston Pump Generating Plant Life Extension and Modernization (LPGP LEM) Program

The Authority's Trustees approved a $460 million Life Extension and Modernization Program at the Niagara project's Lewiston Pump-Generating Plant, (Lewiston LEM Program), of which approximately $401 million has been spent as of December 31, 2024, and $394 million has been spent as of December 31, 2023. The work to be done includes a major overhaul of the plant's 12 pump turbine generator units. The Lewiston LEM Program will increase pump and turbine efficiency, operating efficiency, and the peaking capacity of the overall Niagara project. The Lewiston LEM Program will be 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 2025.

Next Generation Niagara

The NextGen Niagara program replaces, overhauls, and/or upgrades the thirteen (13) generating units and their associated auxiliary power generating equipment. Improvements will include replacing aging equipment with the latest machinery that reflects advanced digital technologies for optimizing 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 December 31, 2024, and 2023, the Authority has spent approximately $197 million and $150 million, respectively.

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 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 2014/15, the program has achieved 9.55 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.

Clean Energy Standard

In 2016, the NYSPSC issued an order establishing a Clean Energy Standard (the "CES Order") to implement the clean energy goals of the State Energy Plan. Pursuant to the CES Order, load-serving entities identified in the order are required to purchase Zero Emission Credits ("ZECs") from NYSERDA to support the preservation of existing at-risk zero emissions nuclear generation. The Authority is not subject to NYSPSC jurisdiction for purposes of the CES Order but has assumed an obligation to purchase ZECs consistent with the terms of the CES Order and intends to seek recovery of such costs from the Authority's customers. In January 2017, the Authority's Trustees authorized (a) participation in the NYSPSC's ZEC program and (b) execution of an agreement with NYSERDA to purchase ZECs associated with the Authority's applicable share of energy sales. The Authority and NYSERDA executed an agreement covering a two-year period from April 1, 2017, to March 31, 2019, under which the Authority committed to purchase ZECs in a quantity based on its proportional load in the New York control area. The Authority and NYSERDA executed an additional agreement

covering a nine-year period from April 1, 2020, to April 1, 2029, under which the Authority committed to purchase ZECs in a quantity based on its proportional load in the New York control area, subject to certain adjustments. As of December 31, 2024, the Authority estimates that it will incur costs associated with participation in the ZEC program of $380 million in aggregate over the 2025 - 2028 period, of which approximately $2 million is not expected to be recovered under customer contracts that predate the adoption of the CES. As of December 31, 2024, the Authority has paid $473 million in ZEC purchase costs, and as of December 31, 2023, it paid $397 million.

The CLCPA and the Authority's VISION2030 establish the goal to meet 70% of electricity demand from renewable resources by 2030. The Authority is collaborating with its customers to achieve the renewable energy goals in the ways that best meet their needs. As one component of its future renewable supply, the Authority executed an agreement with NYSERDA on August 30, 2021 to start purchasing Tier 1 Renewable Energy Credits ("REC(s)") in 2024. On April 20, 2023 the NYSPSC issued an order modifying the way in which NYSERDA administers the Tier 1 REC program starting in 2025. The Authority has engaged with NYSERDA on amending the Tier 1 REC contract in response to the program modifications. The Authority is exploring opportunities to further support its customers achieve these renewable energy goals under its new Expanded Authority.

Grants

Legislation at the federal and state levels have provided potential additional competitive sources of funding for NYPA and Canal Corporation capital programs. To access the additional funding, each organization must apply for consideration to the relevant federal or state entity. Funding will only be pursued to offset the costs of approved capital projects that are aligned with the Authority's core mission, VISION2030, and/or CLCPA. Through the Infrastructure Investment and Jobs Act (IIJA), NYPA has been awarded five grants totaling $54 million in Department of Energy grants through the Transmission Siting and Economic Development and Maintaining and Enhancing Hydroelectricity Incentives programs. This amount includes $44 million for Propel project. Refer to the section on Propel New York Energy Project in MD&A for further information.

Further, refer to the section "New York State Budget/Other Matters in the MD&A for details on the amount appropriated for Canals.

Electric Vehicle Acceleration Initiative

In 2018, the Authority's Trustees approved an overall allocation of $125 million to be used through 2025 for an electric vehicle charging acceleration initiative of which to date $100 million was authorized for capital expenditure. The Authority will operate a charging network of up to 400 Direct Current fast chargers across the State by 2025. As of December 31, 2024, 212 fast chargers were in operation, and approximately $70 million had been spent. As of December 31, 2023, 156 fast chargers were in operation, and approximately $46 million had been spent.

(21) Canal Corporation

The Canal Transfer Legislation enacted on April 4, 2016, authorized, but does not require, the Authority, to the extent that the Authority's Trustees deem it feasible and advisable, to transfer money, property, and personnel to the Canal Corporation.

The Canal Corporation continues to require substantial operating and maintenance support and capital investment. The Canal Corporation's expenses are funded by transfers of funds from the Authority. Any transfer of funds is subject to approval by the Authority's Trustees and compliance with the Authority's General Bond Resolution. Certain expenses eligible for reimbursement are reimbursed to the Authority by funds held in the Canal Development Fund maintained by the State

Comptroller and the Commissioner of Taxation and Finance. For the year ended December 31, 2024, the Canal Corporation recognized $2 million in operating revenues, $95 million in operations and maintenance expenses, and $43 million in depreciation expenses. For the year ended December 31, 2023, the Canal Corporation recognized $2 million in operating revenues, $74 million in operations and maintenance expenses, and $41 million in depreciation expenses.

(22) Inflation Reduction Act

On August 16, 2022, the Inflation Reduction Act of 2022 (“IRA”) was signed into law which aims to reduce U.S. carbon emissions and promote economic development through investments in clean and renewable energy projects. The clean energy tax credits created or expanded by the IRA are intended to drive rapid adoption of energy efficiency, electric transportation, and solar energy. The Authority has undertaken initiatives, as listed below, to take advantage of clean energy tax credits by investing in clean energy such as battery storage, and solar, transitioning 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 which allows tax-exempted entities to receive cash payments equal to the tax credits. IRS requires prefiling registration for projects on which an entity expects to claim tax credits in its tax return. The Authority has completed prefiling registration for all its eligible projects and filed its tax return in November 2024. However, there is no certainty or predictability regarding the recovery of this tax credit amount due to actions beyond the control of the Authority, such as changes in legislation.

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

The other projects include 175 KWac rooftop solar installation at the Authority’s Zeltmann facility, development and operation of Direct Current Fast Charger stations, and fleet electrification of light duty assets (Sedans, SUV’s, and light pickups).

(23) FEMA reimbursement for COVID

The Authority spent a total of $33 million on pandemic-related expenses as of December 31, 2022. These expenses included critical employee sequestration, sanitization and cleaning supplies, facility protective measures, and equipment for a remote workforce. The Authority submitted $20 million in reimbursable costs to FEMA of the $33 million. As of December 2024, the Authority received $1 million with an additional estimated $8 million to be received in 2025. $11 million of the $20 million reimbursable cost, related to sheltering NYPA employees in place was deemed ineligible for reimbursement by FEMA, and the Authority has appealed this decision.

However, there is no certainty or predictability regarding the recovery of this amount due to actions beyond the control of the Authority, such as changes in legislation.

Required Supplementary Information
(Unaudited)

New York Power Authority

(A Component Unit of the State of New York)

Required Supplementary Information

(Unaudited)

Schedule of Changes in the New York Power Authority's Net OPEB Liability and Related Ratios
($ in millions, except percentages)

	June 30,					December 31,		
	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	$ 14	$ 14	$ 14	$ 20	$ 6	$ 13	$ 12	$ 12
Interest	45	43	43	42	18	39	38	36
Change of benefit terms	1	-	4	(2)	–	-	-	-
Differences between expected and actual experience	(6)	(1)	8	(1)	(2)	2	-	-
Change of assumptions	(42)	-	(42)	(153)	(3)	(72)	-	-
Canal transfer to the Power Authority OPEB Plan	-	-	-	218	-	-	-	-
Benefit payments	(30)	(30)	(32)	(34)	(12)	(25)	(25)	(22)
Net change in total OPEB liability	(18)	26	(5)	90	7	(43)	25	26
Total OPEB liability – beginning	635	609	614	524	517	560	535	509
Total OPEB liability – ending	$ 617	$ 635	$ 609	$ 614	$ 524	$ 517	$ 560	$ 535
Plan Fiduciary Net Position								
Contributions – employer	$ 30	$ 29	$ 32	$ 34	$ 12	$ 25	$ 25	$ 22
Net investment income	87	74	(93)	136	(36)	122	(35)	88
Benefit payments	(30)	(30)	(32)	(34)	(12)	(25)	(25)	(22)
Administrative expense	(4)	(9)	(9)	-	(1)	(2)	(2)	(2)
Net change in plan fiduciary net position	83	64	(102)	136	(37)	120	(37)	86
Plan fiduciary net position – beginning	747	683	785	649	686	566	603	517
Plan fiduciary net position – ending	$ 830	$ 747	$ 683	$ 785	$ 649	$ 686	$ 566	$ 603
Net OPEB liability / (asset) – ending	$ (213)	$ (112)	$ (74)	$ (171)	$ (125)	$ (169)	$ (6)	$ (68)
Plan fiduciary net position as a percentage of the total OPEB liability	135%	118%	112%	128%	124%	133%	101%	113%
Covered-employee payroll	$ 297	$ 257	$ 257	$ 227	$ 200	$ 200	$ 177	$ 177
Net OPEB liability / (asset) as a percentage of covered-employee payroll	(72%)	(44%)	(29%)	(75%)	(63%)	(85%)	(3%)	(38%)

Notes to schedule:

The amounts presented for the Authority's 2024 net OPEB liability (asset) were measured as of June 30, 2024, based on valuation results as of December 31, 2023, for NYPA's plan and May 1, 2024, for the Canal plan, projected to the measurement date on a no gain/loss basis.
This schedule is intended to present 10 years of data. Additional years will be presented prospectively.
The 2021 amount includes the Canal Corporation transfer to NYPA OPEB Plan (merged plan).

New York Power Authority

(A Component Unit of the State of New York)

Required Supplementary Information

(Unaudited)

Schedule of the New York Power Authority's OPEB Contributions
($ in millions, except percentages)

Measurement Date	(a) Contractually/ Actuarially determined contribution	(b) Contributions made	Contribution deficiency/ (excess) (a) - (b)	(c) Covered employee payroll	Contributions as a percent of covered payroll column (b) ÷ (c)
June 30, 2024	$ 30	$ 30	$ -	$ 297	10%
June 30, 2023	29	29	-	257	11%
June 30, 2022	32	32	-	257	12%
June 30, 2021	34	34	-	227	15%
June 30, 2020	12	12	-	200	6%
December 31, 2019	25	25	-	200	13%
December 31, 2018	25	25	-	177	14%
December 31, 2017	40	22	18	177	12%
December 31, 2016	39	24	15	161	15%
December 31, 2015	38	38	-	149	26%

Notes to schedule:

Contributions: NYPA made contributions on a pay as you go basis in 2024 and did not contribute any amount beyond the contractually / actuarially required amounts.

Valuation date: December 31, 2023, for NYPA; May 1, 2024, for Canal

Methods and assumptions used to determine contributions

Actuarial cost method: Entry Age Normal, Level Percent of Salary

Amortization period: Five-year period for differences between the expected earnings on plan investments and actual returns. Differences in assumptions and experience from expected are recognized over the average remaining service lives of all participants in the plan. Changes in benefit terms are recognized immediately.

Asset Valuation: Market Value

Per Capita Claims: NYPA - Developed using 2024 re-forecasted funding rates which were calculated using NYPA claims experience from January 1, 2022 through June 30, 2024. Canal - Developed using Canal claims experience from 2021 through 2023.

Salary increases: Varies by service, average of 8.80 percent for first year of service, 4.95 percent for 5 years of service, 4.18 percent for 10 years of service, 3.63 percent for 15 years of service, and 3.30 percent for 20 years or more of service

Participation rates: Assumed 100% of future retirees who meet the eligibility requirements will participate in the OPEB plan.

Discount rate: 7.0%

Mortality: The General Pub-2010 headcount weighted tables were used for active employees and healthy retirees and dependents, while the corresponding Contingent Survivor mortality tables were used for surviving spouses and the corresponding Disabled Retiree mortality tables were used for disabled participants. To project mortality improvement for years after 2010, the MP-2021 Projection Scale is applied on a fully- generational basis to the base rates.

New York Power Authority

(A Component Unit of the State of New York)

Required Supplementary Information

(Unaudited)

Schedule of Investment Returns for the New York Power Authority OPEB Trust

Measurement Date	Annual money-weighted rate of return, net of investment expense
June 30, 2024	11.40%
June 30, 2023	10.30%
June 30, 2022	(11.86%)
June 30, 2021	21.00%
June 30, 2020	(5.30%)
December 31, 2019	21.40%
December 31, 2018	(6.30%)
December 31, 2017	16.70%
December 31, 2016	7.00%
December 31, 2015	0.41%

Note to schedule:

Average rate of return over ten-year period was 6.5%.

New York Power Authority

(A Component Unit of the State of New York)

Required Supplementary Information

(Unaudited)

Schedule of Changes in the Canal Corporation's Net OPEB Liability and Related Ratios
($ in millions, except percentages)

	June 30,		December 31,		
	2021	2020	2019	2018	2017
Change in Net OPEB Liability					
Service cost	$ -	$ 4	$ 8	$ 9	$ 7
Interest	-	3	8	8	8
Differences between expected and actual experience	-	-	(8)	-	-
Change of assumptions	-	16	(30)	(18)	20
Canal transfer to the Power Authority OPEB Plan	(218)	-	-	-	-
Benefit payments	-	(3)	(6)	(7)	(6)
Net change in total OPEB liability	(218)	20	(28)	(8)	29
Net OPEB liability – beginning	218	198	226	234	205
Net OPEB liability – ending	$ -	$ 218	$ 198	$ 226	$ 234
Covered-employee payroll	N/A	$ 27	$ 27	$ 24	$ 24
Net OPEB liability / (asset) as a percentage of covered-employee payroll	N/A	807%	733%	942%	975%

New York Power Authority

(A Component Unit of the State of New York)

Required Supplementary Information

(Unaudited)

Schedules Relating to the Employees' Retirement System Pension Plan

($ in millions, except percentages)

Schedule of Proportionate Share of the Net Pension Liability

As of March 31,	Proportion of the Net Pension Liability (Asset) Percentage	Proportionate Share of the Net Pension Liability (Asset)	Covered Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a percentage of Covered Payroll	Plan Fiduciary Net Position as a percentage of the Total Pension Liability
2024	0.81%	$ 120	$ 268	44.8%	93.9%
2023	0.81%	175	252	69.4%	90.8%
2022	(0.83%)	(68)	242	(28.1%)	103.7%
2021	0.76%	1	233	0.4%	99.9%
2020	0.77%	203	219	92.7%	86.4%
2019	0.76%	53	214	24.8%	96.3%
2018	0.72%	23	205	11.2%	98.2%
2017	0.72%	67	193	34.7%	94.7%
2016	0.60%	96	166	57.8%	90.7%
2015	0.59%	20	150	13.3%	97.9%

Schedule of Contributions

Year Ending December 31,	Actuarially Required Contribution	Actual Contribution	Contribution (Excess) Deficiency	Covered Employee Payroll	Contribution as a percentage of Covered Payroll
2024	$ 39	$ 39	-	$ 268	15%
2023	32	32	-	252	13%
2022	27	27	-	242	11%
2021	36	36	-	233	15%
2020	30	30	-	219	14%
2019	29	29	-	214	14%
2018	28	28	-	205	14%
2017	28	28	-	193	15%
2016	24	24	-	166	14%
2015	25	25	-	150	17%

New York Power Authority

(A Component Unit of the State of New York)

Required Supplementary Information

(Unaudited)

Detailed Financials

A) Statement of Net Position (In millions)

	NYPA		SFP		Captive		NYREDHC		Total	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
Assets and Deferred Outflows										
Current assets:										
Cash and cash equivalents										
Unrestricted	$ 270	$ 311	$ 51	$ 96	10	$ 31	$ 4	$ -	$ 335	$ 438
Restricted	8	1	-	-	-	-	-	-	8	1
Capital Fund	82	3	-	38	-	-	-	-	82	41
Total Cash and cash equivalents	360	315	51	134	10	31	4	-	425	480
Investment in securities										
Unrestricted	852	969	117	341	110	74	94	-	1,173	1,384
Restricted	13	13	-	-	-	-	-	-	13	13
Commited	453	136	-	-	-	-	-	-	453	136
Total Investment in securities	1,318	1,118	117	341	110	74	94	-	1,639	1,533
Receivables - customers	379	266	5	3	-	-	-	-	384	269
Materials and supplies:										
Plant and general	80	75	-	-	-	-	-	-	80	75
Fuel	51	51	-	-	-	-	-	-	51	51
Miscellaneous receivables and other	119	134	1	2	2	5	2	-	124	141
Total current assets	2,307	1,959	174	480	122	110	100	-	2,703	2,549
Capital assets:										
Non-Utility Assets, net of accumulated depreciation	37	77	-	-	-	-	-	-	37	77
Assets, not depreciated	897	758	465	270	-	-	-	-	1,362	1,028
Assets, net of accumulated depreciation	4,853	4,886	1,046	917	-	-	-	-	5,899	5,803
Total capital assets	5,787	5,721	1,511	1,187	-	-	-	-	7,298	6,908
Other long-term assets	1,064	879	35	17	-	-	-	-	1,099	896
Total noncurrent assets	6,851	6,600	1,546	1,204	-	-	-	-	8,397	7,804
Total assets	9,158	8,559	1,720	1,684	122	110	100	-	11,100	10,353
Deferred outflows of resources:										
Asset retirement obligation	17	19	-	-	-	-	-	-	17	19
Accumulated decrease in fair value of derivatives	20	40	-	-	-	-	-	-	20	40
Pensions	128	140	-	-	-	-	-	-	128	140
Postemployment benefits other than pensions	82	128	-	-	-	-	-	-	82	128
Total deferred outflows of resources	247	327	-	-	-	-	-	-	247	327
Total assets and deferred outflows of resources	$ 9,405	$ 8,886	$ 1,720	$ 1,684	$ 122	$ 110	$ 100	$ -	$ 11,347	$ 10,680

See accompanying independent auditors' report

New York Power Authority

(A Component Unit of the State of New York)

Required Supplementary Information

(Unaudited)

	NYPA		SFP		Captive		NYREDHC		Total	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
Liabilities, Deferred Inflows and Net Position										
Current liabilities:										
Accounts Payable and accrued liabilities	$ 841	$ 779	$ 11	$ 62	$ 5	$ 4	$ -	$ -	$ 857	$ 845
Short-term debt	438	227	-	-	-	-	-	-	438	227
Long-term debt due within one year	-	17	20	16	-	-	-	-	20	33
Total current liabilities	1,279	1,023	31	78	5	4	-	-	1,315	1,105
Noncurrent liabilities:										
Long-term debt:										
Senior:										
Revenue bonds	1,805	1,519	-	-	-	-	-	-	1,805	1,519
Subordinated:										
Subordinated Notes	-	35	-	-	-	-	-	-	-	35
Separate Revenue Bond Obligation:										
SFP Bonds 2022	-	-	617	640	-	-	-	-	617	640
SFP Bonds 2023	-	-	750	751	-	-	-	-	750	751
Total long-term debt	1,805	1,554	1,367	1,391	-	-	-	-	3,172	2,945
Other noncurrent liabilities:										
Nuclear fuel disposal	258	245	-	-	-	-	-	-	258	245
Relicensing	223	223	-	-	-	-	-	-	223	223
Other long-term liabilities	357	357	-	-	-	-	-	-	357	357
Total other noncurrent liabilities	838	825	-	-	-	-	-	-	838	825
Total noncurrent liabilities	2,643	2,379	1,367	1,391	-	-	-	-	4,010	3,770
Total liabilities	3,922	3,402	1,398	1,469	5	4	-	-	5,325	4,875
Deferred inflows of resources:										
Unearned revenue	27	45	-	-	-	-	-	-	27	45
Cost of removal obligations	476	435	-	-	-	-	-	-	476	435
Accumulated increase in fair value of derivatives	-	4	-	-	-	-	-	-	-	4
Pensions	66	11	-	-	-	-	-	-	66	11
Lease revenue	43	45	-	-	-	-	-	-	43	45
Postemployment benefits other than pensions	176	190	-	-	-	-	-	-	176	190
Total deferred inflows of resources	788	730	-	-	-	-	-	-	788	730
Net Position:										
Net investment in capital assets	3,463	3,361	-	-	-	-	-	-	3,463	3,361
Unrestricted	1,218	1,393	322	215	117	106	100	-	1,757	1,714
Restricted	14	-	-	-	-	-	-	-	14	-
Total net position	4,695	4,754	322	215	117	106	100	-	5,234	5,075
Total liabilities, deferred inflows of resources and net position	$ 9,405	$ 8,886	$ 1,720	$ 1,684	$ 122	$ 110	$ 100	$ -	$ 11,347	$ 10,680

See accompanying independent auditors' report

New York Power Authority

(A Component Unit of the State of New York)

Required Supplementary Information

(Unaudited)

B) Statement of Revenues, Expenses and Changes in Net Position (In millions)

	NYPA		SFP		Captive		NYREDHC		Total	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
Operating revenues:										
Power sales	$ 2,060	$ 1,773	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,060	$ 1,773
Transmission	317	376	192	97	-	-	-	-	509	473
Transportation and delivery	810	747	-	-	-	-	-	-	810	747
Other	50	39	-	-	7	2	-	-	57	41
Total operating revenues	3,237	2,935	192	97	7	2	-	-	3,436	3,034
Operating expenses:										
Purchased power	678	605	-	-	-	-	-	-	678	605
Fuel oil and gas	214	176	-	-	-	-	-	-	214	176
Transportation and delivery	1,174	1,107	-	-	-	-	-	-	1,174	1,107
Operations and maintenance	744	707	27	16	-	-	-	-	771	723
Depreciation and amortization	339	299	14	8	-	-	-	-	353	307
Total operating expenses	3,149	2,894	41	24	-	-	-	-	3,190	2,918
Operating income	88	41	151	73	7	2	-	-	246	116
Nonoperating revenues, gains (losses) and (expenses):										
Investment income	51	70	17	9	4	4	-	-	72	83
Interest on long-term debt	(71)	(80)	(64)	(31)	-	-	-	-	(135)	(111)
Interest - other	(33)	(28)	-	-	-	-	-	-	(33)	(28)
Interest capitalized	52	58	-	-	-	-	-	-	52	58
Amortization of debt premium	2	(1)	3	2	-	-	-	-	5	1
Other	(48)	11	-	-	-	-	-	-	(48)	11
Total nonoperating losses and expenses	(47)	30	(44)	(20)	4	4	-	-	(87)	14
Net income and change in net position	$ 41	$ 71	$ 107	$ 53	$ 11	$ 6	$ -	$ -	$ 159	$ 130

See accompanying independent auditors' report

New York Power Authority

(A Component Unit of the State of New York)

Required Supplementary Information

(Unaudited)

C) Statement of Cash Flows (In millions)

	NYPA		SFP		Captive		NYREDHC		Total	
	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23	Dec-24	Dec-23
Cash flows from operating activities:										
Customer sales	3,067	2,947	149	97	11	1	-	-	3,227	3,045
Disbursements for:										
Purchased power	(685)	(601)	-	-	-	-	-	-	(685)	(601)
Fuel oil and gas	(200)	(192)	-	-	-	-	-	-	(200)	(192)
Transportation and delivery	(1,167)	(1,089)	-	-	-	-	-	-	(1,167)	(1,089)
Operations and maintenance	(736)	(726)	(27)	(16)	-	-	-	-	(763)	(742)
Net cash provided by operating activities	279	339	122	81	11	1	-	-	412	421
Cash flows from capital and related financing activities:										
Gross additions to capital assets	(307)	(248)	(369)	(451)	-	-	-	-	(676)	(699)
Proceeds from issuance of Series 2023 Green Bonds	513	-	-	751	-	-	-	-	513	751
Issuance costs paid on debt	(5)	-	-	(10)	-	-	-	-	(5)	(10)
Repayment/defeasance of bonds	(275)	(108)	-	-	-	-	-	-	(275)	(108)
Repayment of notes/bonds	(16)	-	(16)	(2)	-	-	-	-	(32)	(2)
Investment of Subsidiary	(4)	(100)	-	-	-	100	4	-	-	-
Interest paid, net	(55)	(69)	(64)	(26)	-	-	-	-	(119)	(95)
Net cash used in capital and related financing activities	(149)	(525)	(449)	262	-	100	4	-	(594)	(163)
Cash flows from noncapital-related financing activities:										
Energy conservation program payments received from participants	255	334	-	-	-	-	-	-	255	334
Energy conservation program costs	(352)	(269)	-	-	-	-	-	-	(352)	(269)
Proceeds from issuance of commercial paper	273	138	-	-	-	-	-	-	273	138
Repayment of commercial paper	(62)	(91)	-	-	-	-	-	-	(62)	(91)
Interest paid on commercial paper	(13)	(6)	-	-	-	-	-	-	(13)	(6)
Margin Deposits with Brokers	16	37	-	-	-	-	-	-	16	37
Other	10	-	-	-	-	-	-	-	10	-
Net cash provided by noncapital-related financing activities	127	143	-	-	-	-	-	-	127	143
Cash flows from investing activities:										
Earnings received on investments	75	36	18	11	6	6	-	-	99	53
Purchase of investment securities	(2,299)	(4,012)	(9)	(462)	(39)	(76)	-	-	(2,347)	(4,550)
Maturities/sale of investment securities	2,012	4,020	235	203	1	-	-	-	2,248	4,223
Net cash used in investing activities	(212)	44	244	(248)	(32)	(70)	-	-	-	(274)
Net (decrease) increase in cash	45	1	(83)	95	(21)	31	4	-	(55)	127
Cash and cash equivalents, January 1	315	314	134	39	31	-	-	-	480	353
Cash and cash equivalents, December 31	360	315	51	134	10	31	4	-	425	480
Reconciliation to net cash provided by operating activities:										
Operating income	88	41	151	73	7	2	-	-	246	116
Adjustments to reconcile operating income to net cash provided by operating activities:										
Change in assets, deferred outflows, liabilities, and deferred inflows:										
Provision for depreciation and amortization	339	299	14	8	-	-	-	-	353	307
Net (increase) in miscellaneous prepayments and other	(52)	(49)	-	-	-	-	-	-	(52)	(49)
Net (increase) decrease in receivables and materials and supplies	(76)	110	(43)	-	4	(1)	-	-	(115)	109
Net (decrease) in accounts payable/accrued liabilities and other	(20)	(62)	-	-	-	-	-	-	(20)	(62)
Net cash provided by operating activities	279	339	122	81	11	1	-	-	412	421

See accompanying independent auditors' report

NEW YORK STATE | NY Power Authority | Canal Corporation

July 29, 2025

Workforce Development Update – (Sandra Bleckman)

[ORAL PRESENTATION]

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: **July 29, 2025**

To: **NEW YORK POWER AUTHORITY BOARD OF TRUSTEES**

From: **PRESIDENT and CHIEF EXECUTIVE OFFICER**

Subject: **Selection of Firms to Provide Underwriting and Financial Services**

SUMMARY

The New York Power Authority Trustees ("Trustees") are requested to approve and adopt at their upcoming meeting a resolution authorizing the appointment of a prequalified group of firms for two purposes 1) an underwriting pool of firms to originate, underwrite and sell the Authority's Debt Obligations for a period of five years and 2) a pool of financial institutions to offer a wider range of banking and financial services, including but not limited to, Term Financing, Tax-Equity Financing, and Development/Construction Financing for Renewable projects .

BACKGROUND

The Authority's 2025 - 2028 Approved Budget and Financial Plan includes approximately $3.6 billion in expenditures, for Power Generation, Transmission, Enterprise Investments and Renewable Developments. These will be funded through a mix of existing construction funds, internally generated funds and, approximately $850 million financed by the sale of Debt Obligations in the capital markets. Additionally, external capital is expected to be brough in to finance Renewable projects.

DISCUSSION

In March 2025, the Authority issued a Request for Qualification (RFQ) Q25-7645RM, inviting firms to provide underwriting services for its debt issuances and financial institutions willing to lend capital for renewable projects. The RFQ was advertised on the Authority's website and in the New York State Contract Reporter. Banks, broker-dealers and other financial institutions interested in offering these services were encouraged to respond. In alignment with the State Task Force recommendations to increase the involvement of Minority and Women-Owned Business Enterprise ("MWBE"), firms certified with the New York State Department of Economic Development were also invited to participate.

The Authority received a total of 30 responses to the RFP, including 9 firms that are certified Minority and Women-Owned Business ("MWBE"), five firms that are certified Service-disabled Veteran Owned Business (SDVOB").

The Authority evaluated the responses based on several qualitative characteristics crucial for a successful team. Specifically, the evaluations focused on firms' experience in

structuring, underwriting and selling green, tax-exempt and taxable bonds and notes; their knowledge of the Authority, its business markets and the public power industry; their ability and willingness to underwrite bonds; financial strength and capital position, including excess net capital allocated to public finance; distribution capabilities in retail and institutional sectors; diversity and commitment to equal employment opportunities; analysis of CRA ratings where applicable; and value-added services and financing proposals aimed at cost savings or debt structuring. For Banking and Underwriting Services, the evaluation included experience with public power entities, renewable projects, direct lending, tax-equity financing, development and construction financing and public private partnerships for renewable projects.

Based on staff evaluations, the following firms demonstrated the qualifications to serve in an Underwriting capacity. Staff believes that, given their combined experience and additional capabilities, these firms will be able to structure and market the Authority's debt at the lowest possible interest cost with broad investor participation. Notably, 26% of the pool is certified as MWBE firms, while another 16% are SDVOB certified firms; making up a combined total of 42% of the bond issuance pool.

Underwriting Pool		
Academy Securities[1,2]	Goldman Sachs	Samuel A. Ramirez & Co.[2]
AmeriVet Securities[1]	JPMorgan	RBC
Bank of America	Loop Capital	Siebert[2]
Cabrera Capital[2]	Morgan Stanley	Stern[2]
Drexel-Hamilton[1]	Piper Sandler	Stifel
FHN Financial	R. Seelaus	TD
[1]SDVOB, [2]MWBE		Wells Fargo

Assignments for Senior Manager(s), Co-Manager(s) and Selling Group members from the prequalified underwriting pool will be determine at the time of each financing transaction subject to selection by the Chairman, President and Chief Executive Officer or Executive Vice President and Chief Financial Officer. All firms will be considered for a senior manager role within the pool based on ideas presented, exemplary service to the Authority or value-added structuring proposals.

Based on staff's evaluation, the following firms exhibited the qualifications to provide Banking and Financial services to the Authority. Staff believes that, given their combined experience and additional capabilities, these firms will be able to provide capital for Renewable projects. No MWBE or SDVOB firm responded to this category.

Banking and Financial Services		
Bank of America	Morgan Stanley	RBC
Goldman Sachs	Raymond James	JP Morgan
		Well Fargo

FISCAL INFORMATION

There is no fiscal impact associated with this action.

RECOMMENDATION

The Executive Vice President & Chief Financial Officer requests that the Trustees consent to approve and adopt a resolution authorizing the appointment of a prequalified underwriting pool of firms to originate, underwrite and sell the Authority's Debt Obligations for a period of five years and a pool of financial institutions to provide a broader range of banking and financial services.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Justin E. Driscoll

President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, that the Trustees approve the appointment of a prequalified underwriting pool of firms to originate, underwrite and sell the Authority's Debt Obligations for a period of five years and a pool of financial institutions to provide, individually or otherwise, a broader range of banking and financial services, each as set forth in the accompanying report of the President and Chief Executive Officer; and be it further

RESOLVED, that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: **July 29, 2025**

To: **NEW YORK POWER AUTHORITY BOARD OF TRUSTEES**

From: **PRESIDENT and CHIEF EXECUTIVE OFFICER**

Subject: **Critical Control Systems Support Services Recommendation for Award**

SUMMARY

The New York Power Authority Trustees ("Trustees") are requested to approve of competitively bid five year value contracts for critical control systems support services at their next meeting. Your concurrence/approval is requested to award the following:

Method of Award:	Competitive Bid
Recommended Supplier(s) / Location:	1.Emerson Process Management Power & Water Solutions, Inc. (Freedom, PA) 2. Johnson Controls Inc. (Milwaukee, WI) 3. SEL Engineering Services, Inc. (Pullman, WA) 4. Siemens Industry, Inc. (Alpharetta, GA) 5. TSI Turtle Services LLC. (Clark, NJ)
Type of Award:	Personal Services
Max Commitment Amount:	$17,000,000.00
Contract Term:	60 Months
Reason for Trustee Approval:	Services greater than one year and value greater than $10M

BACKGROUND

In accordance with the Authority's Guidelines for Procurement Contracts and Expenditure Authorization Procedures (“EAPs”), the award of personal services contracts to be rendered for a period in excess of one year or over $10 million requires Trustee approval.

The Authority utilizes a variety of critical control systems at its facilities to automate and monitor generation power plants and substations. To ensure the continued functionality of

these systems, it is essential to establish comprehensive, long-term support agreements that cover all necessary aspects of system maintenance and upgrades. These services include, but are not limited to, performing necessary engineering and design analyses, supplying required materials and equipment, installation, inspection, testing, systems and equipment assessments, as well as scheduled maintenance, troubleshooting, and additional technical services that enhance the overall performance and reliability of the systems.

DISCUSSION

In accordance with the applicable Guidelines for Procurement Contracts the Authority issued a Request for Proposal (RFP) Inquiry No. Q23-7507NF, which was advertised in the New York State *Contract Reporter* on March 8, 2024. Twenty-Five (25) suppliers were invited to participate in the Ariba Event, and ten (10) submittals were received on April 26, 2024. These proposals were then evaluated by a cross-functional team based on the following criteria: service capability, Bulk Electric System (BES) approval, relevant experience, project team/staffing capacity, safety records, and North American Electric Reliability Corporation Critical Infrastructure Protection 13 (NERC CIP 13) program compliance.

The Evaluation Committee recommends awarding contracts with five (5) of the suppliers who met the Evaluation Criteria. This will allow for flexibility and expediency in obtaining critical support services for a wide variety of maintenance and support tasks from original equipment manufacturers and other qualified suppliers. The terms and conditions of the proposed contracts have been fully negotiated.

FISCAL INFORMATION

Expenditures for these contracts will be paid from the Authority's Capital or Operating Fund, as appropriate.

RECOMMENDATION

The Executive Vice President and Chief Operating Officer requests that the New York Power Authority Board of Trustees approve Value Contracts to be awarded to Emerson Process Management Power & Water Solutions, Inc., Johnson Controls Inc., SEL Engineering Services, Inc., Siemens Industry, Inc., and TSI Turtle Services LLC for five years in the aggregate amount of $17 million at their next meeting.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Justin E. Driscoll

President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the award of five-year personal services value contract awards to Emerson Process Management Power & Water Solutions, Inc., Johnson Controls Inc., SEL Engineering Services, Inc., Siemens Industry, Inc., and TSI Turtle Services LLC, in the aggregate amount of $17 million; and be it further

RESOLVED, that the Trustees approve the Authority's use of Capital Funds, which may include proceeds of debt issuances, to finance the costs of projects; and be it further

RESOLVED, that the Trustees declare in accordance with Treasury Regulation Section 1.150-2, the Authority's official intent to finance as follows: The Authority intends to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority, all expenditures made and which may be made as described in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: **July 29, 2025**

To: **NEW YORK POWER AUTHORITY BOARD OF TRUSTEES**

From: **PRESIDENT and CHIEF EXECUTIVE OFFICER**

Subject: **CRANE EQUIPMENT RENTAL SERVICES, WITH AND WITHOUT OPERATOR - Contract Award**

SUMMARY

The New York Power Authority Trustees ("Trustees") are requested to approve a contact award for Crane Equipment Rental Services, With and Without Operator at their next meeting.

Method of Award:	Competitive Bid
Recommended Supplier(s) / Location:	Clark Rigging and Rental Corp located in Lockport, NY
Type of Award:	NYPA/Canals Equipment
Max Commitment Amount:	$11,000,000.00
Contract Term:	60 months
Reason for Trustee Approval:	Greater than $10M

BACKGROUND

The New York State Canal Corporation (NYSCC) routinely performs critical work requiring the use of specialized equipment, sometimes coupled with specialized talent. Each non-navigation season, the eight sections throughout the state embark on a winter maintenance endeavor to repair, replace, or refurbish critical lock components, such as miter gates, butterfly valves, wagon wheel valves (gate valves), and other various pieces of Lock machinery. In order to safety lift each of these components for the required maintenance and repair, which can weigh as much as 120,000 pounds each, the right size crane and rigging plan are required. The Operation and Maintenance (O&M) of the critical canal infrastructure relies heavily on rented cranes as well as crane and rigging services.

Without the necessary equipment and resources, a large majority of the maintenance work would need to be contracted out. The NYSCC O&M staff have the knowledge and skill necessary to complete the majority of the work when supported with the appropriate cranes and rigging. Use of this contract will also be made available to NYPA Sites for their crane rental and rigging needs.

DISCUSSION

In accordance with the applicable Guidelines for Procurement Contracts, a Request for Proposal was advertised in the New York State Contract Reporter on February 6, 2025. Eight (8) suppliers were invited to participate in the Ariba Event. Three (3) submittals were received on March 10, 2025 and were evaluated. The proposals were evaluated based on the following criteria: experience and qualifications in providing crane rentals and/or operators, fleet of cranes, safety records, ability to meet insurance requirements, and pricing structure. Clark Rigging and Rental Corporation's proposal met all the requirements of the RFP. In addition to an extensive crane selection, Clark has successfully supported NYSCC's crane needs in the past.

FISCAL INFORMATION

The Authority will use capital or operating funds, as appropriate, which may include proceeds of debt issuances, to finance the costs of projects of which financial advisory services may be part.

RECOMMENDATION

The Chief Operating Officer requests that the Trustees approve a contract award of $11,000,000 for Crane Equipment Rental Services, With and Without Operator to Clark Rigging and Rental Corp. at their next meeting.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Justin E. Driscoll

President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, that the Trustees approve the award of a competitively bid contract to Clark Rigging and Rental Corp. for Crane Equipment Rental, With and Without Operator for a term of 60 months and with an allocated sum of $11,000,000, as recommended in the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, that the Trustees approve the Authority's use of Capital Funds, which may include proceeds of debt issuances, to finance the costs of projects; and be it further

RESOLVED, that the Trustees declare in accordance with Treasury Regulation Section 1.150-2, the Authority's official intent to finance as follows: The Authority intends to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority, all expenditures made and which may be made in accordance with the Project described in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: **July 29, 2025**

To: **NEW YORK POWER AUTHORITY BOARD OF TRUSTEES**

From: **PRESIDENT & CHIEF EXECUTIVE OFFICER**

Subject: **Uniondale Hub Substation Upgrade**
Approval to Execute Amended Development Agreement

SUMMARY

The New York Power Authority Board of Trustees ("Trustees") are requested to approve the execution of the amended Development Agreement ("DA") with the New York Independent System Operator, Inc. ("NYISO") and deliver the Uniondale Hub Substation Upgrade Project ("Project") consistent with the requirements of the DA and NYISO's Open Access Transmission Tariff ("OATT") at their next meeting. Trustee approval for the execution of the amended DA is being sought based on the substantial obligation the Authority will accept once the amended agreement is executed.

BACKGROUND

On June 20, 2023, the NYISO posted the final report selecting Propel NY's Alternative Solution 5 ("Project TO51") to satisfy the Long Island Offshore Wind Export Public Policy Transmission Need ("Long Island Offshore Wind Export PPTN"). While Propel NY is the sponsoring developer of Project TO51, under the OATT, incumbent Transmission Owners retain the right to build, own and recover the costs for upgrades to their facilities. As identified in the Facility Characterization List, attached to the NYISO's final report, Project TO51 includes upgrades to the Authority's existing Uniondale Hub ("UH"), formerly known as the East Garden City 345kV Substation. Pursuant to Section 31.4.11.3 of the OATT, the Authority, as the incumbent Transmission Owner of the Uniondale Hub Substation, has confirmed to NYISO its intention to move forward with the identified upgrades and meet NYISO's required in service date of May 2029. This Project aims to modify the Authority's existing Uniondale Hub 345kV substation as outlined in Propel NY Alternative Solution No. 5.

Since the initial scoping of the Project, land constraints have necessitated a change from the originally planned air-insulated substation ("AIS") to a gas-insulated substation ("GIS"). During discussions with the NYISO while developing the DA, it was determined that they did not have the legal authority to approve modifications to the UH Project scope. As such, the Board of Trustees approved the execution of the original DA at their March 12, 2024 meeting to implement the Project as identified in Project TO51. Subsequently, the Authority pursued a Modification Request under Section 3.5 of the executed DA, to change the Project scope to a GIS solution. The NYISO has now authorized the modification request, and the amended DA is now presented to the Authority's Board of Trustees for approval.

DISCUSSION

The NYISO Tariff, as governed by the Federal Energy Regulatory Commission ("FERC"), requires the Authority and NYISO to execute the DA for the Project. The original DA was executed in May of 2024. After the original DA was executed, NYPA provided the necessary documentation for the AIS to GIS modification request. The amended DA provides a detailed Project description, the planned scope of work, a schedule identifying critical milestones, provisions addressing default, transfer rights, liability and indemnification, and assignment are also included to provide protections to the Authority.

FISCAL INFORMATION

A portion of the Authority's costs associated with this Project was previously approved by the Board of Trustees and included in the Authority's Long Range Work Plan and the Authority's Approved Four-Year Capital Plan.

Payment associated with this Project will be made from the Authority's Capital Fund or Operating Fund and may include the proceeds of debt issuance, as necessary and appropriate for the work and will be recovered under the Authority's transmission rate recovery mechanism.

The Authority was granted an Abandonment Incentive for this Project with the FERC. Abandonment Incentive allows the Authority to apply for the recovery of 100% of prudently incurred costs expended on and after July 25, 2024, should the Project be abandoned for reasons beyond the Authority's control.

RECOMMENDATION

The Executive Vice President and Chief Operating Officer requests that the New York Power Authority Board of Trustees approve the execution of the amended Development Agreement with the NYISO for the Uniondale Hub Substation Upgrade Project, at their next meeting.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Justin E. Driscoll
President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, that the Trustees approve the execution of the New York Independent System Operator Inc.'s Amended Development Agreement for the Uniondale Hub Substation Upgrade Project, as recommended in the foregoing report of the President and Chief Executive Officer, and be it further;

RESOLVED, that the Authority, in accordance with Treasury Regulation Section 1.150-2, hereby declares its official intent to finance as follows: The Authority intends to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority, all expenditures made and which may be made in accordance with the Project described in the foregoing report of the President and Chief Executive Officer, and be it further;

RESOLVED, that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: **July 29, 2025**

To: **NEW YORK POWER AUTHORITY BOARD OF TRUSTEES**

From: **PRESIDENT and CHIEF EXECUTIVE OFFICER**

Subject: **Janitorial Services Contract Extension and Additional Funding Request**

SUMMARY

The New York Power Authority Trustees ("Trustees") are requested to approve of Janitorial Services at their next meeting. Your concurrence/approval is requested to award the following:

Method of Award:	Competitive Bid
Recommended Supplier(s) / Location:	A&A Maintenance Enterprise Inc. Dba A&A Elevated Facility Solutions
Type of Award:	NYPA Non-Personal Services
Max Commitment Amount:	$3,985,000
Contract Term:	29 months
Reason for Trustee Approval:	Greater than one year

BACKGROUND

In accordance with the Authority's Guidelines for Procurement Contracts and Expenditure Authorization Procedures (“EAPs”), the award of personal services contracts to be rendered for a period in excess of one year or over $10 million requires Trustee approval.

The Authority owns and operates the Clarence D. Rappleyea Building located at 123 Main Street, White Plains, New York. The building is a seventeen-story, 420,000 square feet, Class-A structure. The Authority manages all operations in the building through the Facility Management Department. The building is staffed with janitorial personnel who are affiliated with Local 32BJ of the Service Employees International Union (SEIU). These personnel oversee all aspects of the daily cleaning of the building utilizing both a day and night shift. The Janitorial staff report to the Facility Management Department, providing their services through a third party (A&A Maintenance) that administers their Local 32BJ Collective Bargaining agreement.

DISCUSSION

The current 5-year, $7,750,000 Janitorial Services contract for WPO will be expiring on December 31, 2025, which is approximately 2 ½ years before relocation to the new headquarters building. Having considered all options, it was determined that extending this contract is more practical than going to bid for such a short term. The requested $3,985,000 represents the funding required to provide the stated services for extended 29-month term.

FISCAL INFORMATION

Expenditures for this contract will be paid from the Authority's Operating Fund.

RECOMMENDATION

The Executive Vice President and Chief Operating Officer requests that the Board of Trustees approve the request to increase the authorization of the Janitorial Services Value Contract in the amount of $3,985,000 for a total aggregate amount of $11,735,000 and to extend A&A Maintenance Enterprise Inc. contract for an additional 29 months at their next meeting.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Justin E. Driscoll

President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the request to increase the authorization of the Janitorial Services Value Contract in the amount of $3,985,000 for a total aggregate amount of $11,735,000 and to extend A&A Maintenance Enterprise Inc. contract for an additional 29 months; and be it further

RESOLVED, that the Trustees approve the Authority's use of Capital Funds, which may include proceeds of debt issuances, to finance the costs of projects; and be it further

RESOLVED, that the Trustees declare in accordance with Treasury Regulation Section 1.150-2, the Authority's official intent to finance as follows: The Authority intends to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority, all expenditures made and which may be made in accordance with the Project described in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: **July 29, 2025**

To: **NEW YORK POWER AUTHORITY BOARD OF TRUSTEES**

From: **PRESIDENT and CHIEF EXECUTIVE OFFICER**

Subject: **Operation and Maintenance Services for SENY Transmission Facilities Recommendation for Award**

SUMMARY

The New York Power Authority Trustees ("Trustees") are requested to approve of competitively bid five-year value contracts for Operation and Maintenance (O&M) Services to a total of four (4) technically qualified firms; Asplundh Electric Testing LLC, Elecnor Hawkeye LLC, LND Technical Services LLC, and Underground Systems Inc.in the aggregate amount of $15 million at their next meeting.

Method of Award:	Competitive Bid
Recommended Supplier(s) / Location:	1. Asplundh Electrical Testing, Philadelphia, PA 2. Elecnor Hawkeye, Hauppauge, NY 3. LND Technical Services, Houston, TX 4. Underground Systems Inc. Bethel, CT
Type of Award:	NYPA Non-Personal Services
Max Commitment Amount:	$15,000,000
Contract Term:	60 months
Reason for Trustee Approval:	Greater than one year and greater than $10M

BACKGROUND

In accordance with the Authority's Guidelines for Procurement Contracts and Expenditure Authorization Procedures (“EAPs”), the award of O&M services contracts to be rendered for a period in excess of one year or over $10 million requires Trustee approval.

These contracts will provide timely and qualified services to include, but not limited to operations, preventative and corrective maintenance associated with electrical power apparatus, protection and control systems, and various dielectric cables. Furthermore, these services entail routine and emergency operational response, testing, repair, installation, and

technical assessment on current and future assets in the Southeast New York Region (SENY), owned by the Authority.

DISCUSSION

In accordance with the applicable Guidelines for Procurement Contracts, the Authority issued a Request for Proposal ("RFP") No Q24-7581DKT and was advertised in the New York State *Contract Reporter* on September 17, 2024. Seven (7) supplier(s) were invited to participate in the Ariba Event, and four (4) submittals were received on November 4, 2024. These proposals were evaluated by a cross functional team based on the following criteria: technical specifications and the capability to perform the work, availability to respond to emergent matters, quality assurance and control requirements, pricing, sustainability, and exceptions to the Authority's contract terms and conditions.

The Evaluation Team recommends awarding contracts with four (4) of the suppliers who met the Evaluation Criteria. This will allow for flexibility in obtaining services for planned and emergent O&M. The terms and conditions of the proposed contracts have been fully negotiated. The proposals from non-selected suppliers either did not rate as highly across the Evaluation Criteria or took significant exceptions to the Authority's terms and conditions.

FISCAL INFORMATION

Expenditures for these contracts will be paid from the Authority's Capital or Operating Fund, as appropriate.

RECOMMENDATION

The Executive Vice President and Chief Operating Officer requests that the New York Power Authority Board of Trustees approve Value Contracts to be awarded to Asplundh Electric Testing LLC, Elecnor Hawkeye LLC, LND Technical Services LLC, and Underground Systems Inc.in the aggregate amount of $15 million at their next meeting.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Justin E. Driscoll

President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the award of a five-year engineering services value contract awards to Asplundh Electric Testing LLC, Elecnor Hawkeye LLC, LND Technical Services LLC, and Underground Systems Inc.in the aggregate amount of $15 million; and be it further

RESOLVED, that the Trustees approve the Authority's use of Capital Funds, which may include proceeds of debt issuances, to finance the costs of projects; and be it further

RESOLVED, that the Trustees declare in accordance with Treasury Regulation Section 1.150-2, the Authority's official intent to finance as follows: The Authority intends to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority, all expenditures made and which may be made in accordance with the Project described in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: July 29, 2025

To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES

From: PRESIDENT & CHIEF EXECUTIVE OFFICER

Subject: Recharge New York Power – New, Extended and Modified Allocations

SUMMARY

The New York Power Authority Board of Trustees ("Board of Trustees") is requested to approve the following:

(a) The extension of the 13 allocations of Recharge New York ("RNY") Power awarded to the businesses and not-for-profit entities listed in Exhibit "A," as described below, for a term of seven years, to commence upon the expiration of each such allocation, or in the Authority's discretion, on a date to be agreed upon by the Authority and the customer for a term not to exceed seven years (collectively, the "Extended Term"), subject to the following conditions: A customer whose allocation would be extended would have to agree to provide supplemental commitments for, among other things, jobs and capital investments, as it has in its current RNY Power agreement(s) with the Authority (collectively, "Current RNY Power Agreement") for the length of any Extended Term, through the incorporation of such supplemental commitments in the proposed final contract that is executed by the parties. With respect to capital investments, the vast majority of RNY Power customers (i.e., those who do not have project/expansion capital investment commitments) would be expected to meet a minimum capital investment commitment;

(b) 12 modifications related to the previously approved RNY Power allocations, extensions, and/or related supplemental commitments for the customers listed in Exhibit "B";

(c) Two new allocation awards of RNY Power available for "retention" purposes to the businesses listed in Exhibit "C" in the amounts indicated therein;

(d) Two new allocation awards of RNY Power available for "expansion" purposes to the businesses listed in Exhibit "D" in the amounts indicated therein; and

(e) Seven new allocation awards of RNY Power available for eligible small businesses and/or not-for-profit corporations to the entities listed in Exhibit "E" in the amounts indicated therein.

The sale of any extended or new allocation as proposed herein would be governed by the form of the RNY Power contract that was approved by the Trustees on March 26, 2019, and existing Authority Service Tariff RNY-1.

All the above actions have been recommended by the Economic Development Power Allocation Board ("EDPAB") at its July 29, 2025 meeting.

BACKGROUND

On April 14, 2011, the RNY Power Program was signed into law as part of Chapter 60 (Part CC) of the

Laws of 2011. The RNY Power Program is codified primarily in Economic Development Law ("EDL") § 188-a and Public Authorities Law § 1005(13-a) (the "RNY Statutes"). The program makes available 910 megawatts ("MW") of "RNY Power," 50% of which will be provided by certain Authority hydropower resources and 50% of which will be procured by the Authority from other sources. RNY Power contracts can be for a term of up to seven years in exchange for job and capital investment commitments. RNY Power is available to businesses and not-for-profit corporations for job retention and business expansion or attraction.

As part of New York State's initiative to foster business activity and streamline economic development, applications for all statewide economic development programs, including the RNY Power Program, have been incorporated into a single online Consolidated Funding Application ("CFA"), marking a fundamental shift in how State economic development resources are marketed and allocated. Beginning in September 2011, the CFA was made available to applicants. The CFA continues to serve as an efficient and effective tool to streamline and expedite the State's efforts to generate sustainable economic growth and employment opportunities. All applications that are considered for an RNY Power allocation are submitted through the CFA process.

RNY Power is available to businesses and not-for-profit corporations for job retention and business expansion and attraction purposes. Specifically, Chapter 60 provides that at least 350 MW of RNY Power shall be dedicated to facilities in the service territories served by the New York State Electric and Gas, National Grid, and Rochester Gas and Electric utility companies; and at least 200 MW of RNY Power shall be dedicated to the purpose of attracting new businesses and encouraging expansion of existing businesses statewide. In July 2021, legislation was enacted increasing the dedicated amount of RNY Power from 100 MW to no more than 150 MW for eligible not-for-profit corporations and eligible small businesses statewide.

"Eligible applicant" is defined by statute to mean an eligible business, eligible small business, or eligible not-for-profit corporation; however, an eligible applicant shall not include retail businesses as defined by EDPAB, including, without limitation, sports venues, gaming or entertainment-related establishments or places of overnight accommodations.

RNY Power allocation awards are comprised of 50% hydropower and 50% Authority-procured market power. Prior to entering into a contract with an eligible applicant for the sale of RNY power, and prior to the provision of electric service relating to the RNY power allocation, the Authority shall offer each eligible applicant the option to decline to purchase the RNY market power component of such allocation. If an eligible applicant declines to purchase the RNY market power component, the Authority has no responsibility for supplying such market power to the eligible applicant.

Under applicable law, applications for RNY Power are first considered by EDPAB. EDPAB is authorized to recommend applicants to the Authority's Trustees that it believes should receive an award of RNY Power based on applicable statutory criteria and other pertinent considerations. The criteria provided for in the RNY Statutes are summarized in Exhibit "H" to this memorandum. An allocation recommended by EDPAB qualifies the subject applicant to enter into a contract with the Authority for the purchase of the RNY Power if the Authority makes an allocation award.

In arriving at recommendations for EDPAB's consideration, Staff, among other things, attempted to maximize the economic benefits of low-cost NYPA hydropower, the critical state asset at the core of the RNY Power Program, while attempting to ensure that each recipient receives a meaningful RNY Power allocation.

Unless otherwise noted in Exhibits "C", "D", and "E" (recommendations for new RNY Power allocations), new business applicants with relatively high scores were recommended for allocations of retention RNY Power of 50% of the requested amount or average historic demand, whichever was lower. These allocations were capped at 10 MW for any recommended allocation. Not-for-profit corporation applicants that

score relatively high are typically recommended for allocations of 33% of the requested amount or average historic demand, whichever is lower. These allocations are capped at 5 MW. Applicants currently receiving hydropower allocations under other Authority power programs are typically recommended for allocations of RNY Power of 25% of the requested amount, subject to the caps as stated above.

RNY Power allocation extensions have been awarded by the Trustees on twenty-three prior occasions spanning from October 2018 through March 2025. These recommendations pertain to existing RNY Power customers receiving an Extended Term of seven years.

RNY Power allocations pertaining to new applicants have been awarded by the Trustees on forty-three prior occasions spanning from April 2012 through March 2025. If today's recommendations are approved by the Trustees, it is anticipated that approximately 35 MW of RNY Power would remain unallocated.

EDPAB, at its meeting held on July 29, 2025, recommended that:

(a) the Trustees approve extensions for the 13 RNY Power allocations that are listed in Exhibit "A" for a term of seven years;

(b) the Trustees approve the modifications related to the 12 RNY Power allocations, extensions, and/or supplemental commitments listed in Exhibit "B" for the reasons discussed in Exhibit B; and

(c) each of the applicants identified in Exhibits "C", "D", and "E" be awarded an RNY Power allocation in the amount indicated for a term of seven years.[1]

Applications for new RNY Power allocations have been considered, where applicable, under NYPA's Green Jobs Evaluation Incentive Plan and the Diversity, Equity, and Inclusion ("DEI") Evaluation and Incentive Plan. These plans were approved by the Trustees on December 9, 2020, and December 7, 2021, respectively.

Consistent with the RNY Statutes, EDPAB recommended that the contracts for the sale of extended and new allocations contain:

(1) provisions for effective periodic audits of the recipient of an allocation for the purpose of determining contract and program compliance, and for the partial or complete withdrawal of an allocation if the recipient fails to maintain commitments, relating to such things as employment levels, power utilization, capital investments, and/or energy efficiency measures;
(2) requirements for an agreement by the recipient of an allocation to undertake at its own expense an energy audit of its facilities at which the allocation is consumed, which may be modified by the Authority on a showing of good cause by the recipient, and that the recipient provide the Authority with a copy of any such audit or a report describing the results of such audit;
(3) a requirement for an agreement by the recipient of an allocation to make its facilities available at reasonable times and intervals for energy audits and related assessments that the Authority desires to perform; and
(4) a requirement that if the actual metered load at the facility where the allocation is utilized is less than the allocation, such allocation will be reduced accordingly.

[1] EDPAB determined that the applicant listed in Exhibit "F" would not be recommended to receive an RNY Power allocation for the reasons discussed in Exhibit "F". EDPAB also authorized terminating the application review process for the applicant listed in Exhibit "G" for the reasons discussed in Exhibit "G". No action is required by the Trustees on these matters.

The sale of RNY Power allocations that are awarded by the Trustees today would be governed by the form of RNY Power contract that was approved by the Trustees on March 26, 2019, and Authority Service Tariff RNY-1. The terms and conditions in the RNY Power contract form are consistent with the terms and conditions recommended by EDPAB, as described above.

DISCUSSION

1. Extension of Existing RNY Power Allocations

For the current round of recommendations, Authority Staff has reviewed applications from 13 RNY Power customers listed in Exhibit "A" who are seeking extensions, and a copy of each application has been made available to EDPAB. Staff's review has consisted of a review on a customer-specific basis of such issues as the amount of each allocation that would be extended, the supplemental commitments that these customers have made under their Current RNY Power Agreement and are prepared to make as consideration for an extension, and the customer's compliance status under its Current RNY Power Agreement, including its compliance with supplemental commitments for jobs and capital investments.

In summary, the businesses listed in Exhibit "A" which are located in the State where indicated, bring valuable benefits to the State. In total, the allocations listed in Exhibit "A" are supporting the retention of nearly 3,900 jobs and approximately $268 million in capital investments throughout New York State. The Authority will require customers to commit to the same or substantially similar supplemental commitments for jobs and capital investments that are summarized in Exhibit "A" for the Extended Term.

Based on the foregoing discussion and EDPAB's recommendations, Staff recommends that the Trustees extend the allocations listed in Exhibit "A" as described above and in Exhibit "A" subject to the following conditions:

(a) The sale of any allocation extended as proposed herein will be governed by the RNY Power contract form that was approved by the Trustees on March 26, 2019, and Authority Service Tariff RNY-1.

(b) To receive an extension of its allocation, the customer must agree, for the Extended Term, to provide the supplemental commitments for jobs and capital investments that are the same or substantially similar to those that are summarized generally in Exhibit "A" (subject to adjustments described above), through the incorporation of such supplemental commitments in the final contract that is executed by the parties. With respect to capital investments, RNY Power customers who do not have current project/expansion capital investment commitments would be expected to meet a minimum capital investment commitment that may be satisfied through capital expenditures made over a five-year period.

(c) Unless otherwise noted in Exhibit "A", each customer is in compliance with its contractual obligations to the Authority under its Current RNY Power Agreement.

Staff believes that an extension of each allocation listed in Exhibit "A" is appropriate and is consistent with the applicable statutory criteria listed in Exhibit "H". In addition, the terms and conditions in the RNY Power contract form approved by the Trustees on March 26, 2019, are consistent with the terms and conditions recommended by EDPAB.

2. Modifications to Existing Allocations, Extensions, and/or Related Supplemental Commitments

At its meeting held on July 29, 2025, EDPAB recommended that the Trustees approve modifications

relating to 12 previously approved RNY Power allocations, extensions, and/or related supplemental commitments listed in Exhibit “B” for the reasons presented below.

Staff has reviewed each of these applications, and a copy of each application has been made available to EDPAB. If approved, these modifications would be implemented through the customers’ respective power contracts.

i. Two modifications are related to extension applicants being recommended for additional RNY Power allocation amounts as indicated in Exhibit “B”, Section 1. In the case of Auburn Community Hospital, the increased RNY Power allocation includes additional electric accounts that were omitted from the initial application review. Regarding Snyder Industries, Inc., the company experienced significant load growth and is able to increase its job and capital investment commitments.

ii. Seven modifications are related to previously approved combined extension allocation modifications, as listed in Exhibit “B”, Section 2. It was previously determined that a combined allocation approach would be appropriate for each of these customers moving forward. The proposed modifications were designed to result in a more streamlined process administratively, thereby reducing the need for multiple customer allocations with separate contract terms. Upon further review and discussions with the subject companies, it was discovered that certain adjustments would be needed to the previously approved modifications to more accurately reflect the awarded amounts and/or commitments moving forward.

iii. Two modifications are related to the initial combining of allocations for RNY Power allocation extensions, as listed in Exhibit “B”, Section 3. In the case of Micro Bird USA LLC (“Micro Bird”), the company was previously approved for two current extension allocations. With respect to Schum-Acres Dairy OPS, LLC, the company recently submitted an extension application at which time it was determined that a consolidation of its allocations would be appropriate moving forward.

iv. One modification is related to the legal entity name for a previously approved RNY Expansion Power allocation to Micro Bird. In March 2025, the company was approved for a new 640 kW RNY award under the name of Micro Bird USA Holding LLC. It was later determined that the company’s correct legal entity name is Micro Bird USA LLC. For this reason, Staff is recommending that the allocation award be associated with the company’s legal name of Micro Bird USA LLC. The proposed modification would not result in any changes to the company’s job or capital investment commitments.

Staff has reviewed these requests and is recommending that the Trustees accept EDPAB’s recommendations and approve each of the modifications described above.

3. Retention-Based RNY Power Allocations

The Trustees are asked to address two applications submitted via the CFA process for RNY Power retention-based allocations. Unless otherwise indicated in Exhibit “C”, these applications seek an RNY Power allocation for job retention purposes only.

Consistent with the evaluation process as described above, EDPAB recommended, at its July 29, 2025, meeting, that RNY Power retention allocations be awarded to the businesses listed in Exhibit “C.” Each business has committed to retain jobs in New York State and to make capital investments at their facilities in the amounts listed in Exhibit “C” in exchange for the recommended RNY Power allocations.

Staff recommends that the Trustees accept EDPAB's recommendations and award RNY Power allocations to each of the businesses listed in Exhibit "C" in the amounts and terms indicated therein.

4. Expansion-Based RNY Power Allocations

The Trustees are asked to address two applications requesting RNY Power allocations for expansion purposes. Allocations for this purpose would be sourced from the 200 MW block of RNY Power dedicated by statute for "for-profit" businesses that propose to expand existing businesses or create new businesses in the State. Unless otherwise indicated in Exhibit "D", these applications seek an RNY Power allocation to support expansion of an existing business or a new business/facility. EDPAB recommended, at its July 29, 2025, meeting, that RNY Power expansion-based allocations be made to the businesses listed in Exhibit "D." Each such allocation would be for a term of seven years unless otherwise indicated.

Applications for the expansion-based RNY Power were scored based on the statutory criteria with a focus on each applicant's specific project to expand or create their new facility or business (e.g., the expansion project's cost, associated job creation, and new electric load due to the expansion).

Unless otherwise noted in Exhibit "D," the proposed amounts of the expansion-based allocations listed in Exhibit "D" are largely intended to provide approximately 70% of each expansion project's estimated new electric load. Because these projects have estimated new load amounts, and to ensure that an applicant's overestimation of the amount needed will not cause that applicant to receive a higher percentage of RNY Power for their new loads, the allocations in Exhibit "D" are recommended based on an "up to" amount basis. Each of these applicants would be required to, among other commitments, add the new electric load as stated in its application, and would be allowed to use up to the amount of their RNY Power allocation in the same 70% ratio of RNY Power allocation to the requested load as stated in Exhibit "D."

Staff recommends that the Trustees accept EDPAB's recommendations and award RNY Power allocations to each of the businesses listed in Exhibit "D" in the amounts indicated therein.

5. Small Business and/or Not-for-Profit-Based RNY Power Allocations

The Trustees are asked to address applications for eligible small businesses and/or not-for-profit corporations resulting in seven RNY Power allocation recommendations for retention and expansion purposes.

Consistent with the evaluation process described above, EDPAB recommended, at its July 29, 2025, meeting, that RNY Power allocations be awarded to the small businesses and/or not-for-profit applicants listed in Exhibit "E." These applicants have committed to retain or create jobs in New York State and make capital investments to the extent indicated in Exhibit "E" in exchange for the recommended RNY Power allocations as described in Exhibit "E." The RNY Power allocations identified in Exhibit "E" are recommended for a term of seven years unless otherwise indicated.

Staff recommends that the Trustees accept EDPAB's recommendations and award RNY Power allocations to each of the not-for-profit entities and/or small businesses listed in Exhibit "E" in the amounts indicated therein.

6. Applicants Not Recommended

At its meeting on July 29, 2025, EDPAB determined that the applicant listed in Exhibit "F" would not be recommended to receive an RNY Power allocation for the reasons discussed in Exhibit "F". No action by the Trustees is required on this matter.

7. Termination of Application/Review Process

At its meeting on July 29, 2025, EDPAB authorized the termination of the application review process for the applicant listed in Exhibit “G” for the reasons listed in Exhibit “G”. No action by the Trustees is required on this matter. In the past, some applicants in these circumstances have reapplied if able to advance a more complete RNY Power application.

FISCAL INFORMATION

The actions recommended herein will not have a negative impact on the Authority’s finances.

RECOMMENDATION

The Senior Vice President, Customer Solutions, requests that the Board of Trustees accept the recommendations of EDPAB and:

(1) Authorize the extension of each of the existing 13 allocations of RNY Power in the manner described above for the customers listed in Exhibit “A” for a term of seven years to commence on the expiration of the allocation, or commencing on a date to be agreed upon by the parties for a term not to exceed seven years, subject to the conditions described above;

(2) Approve the 12 modifications related to the RNY Power allocations, extensions, and/or related supplemental commitments described in Exhibit “B” for the reasons discussed above and in Exhibit “B”;

(3) Award new allocations of RNY Power for retention purposes to the two businesses listed in Exhibit “C” in the amounts indicated therein;

(4) Award the new allocations of RNY Power for expansion purposes to the two businesses listed in Exhibit “D” in the amounts indicated therein; and

(5) Award the seven new allocations of RNY Power to the small business and/or not-for-profit applicants identified in Exhibit “E” for retention and/or expansion purposes in the amounts indicated therein.

For the reasons stated, I recommend the approval of the above-requested actions by adoption of the resolution below.

Justin E. Driscoll
President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, That the Trustees hereby accept the recommendations of the Economic Development Power Allocation Board ("EDPAB") and approve the extension of each of the existing 13 Recharge New York ("RNY") Power allocations previously awarded, in the manner described in the accompanying memorandum of the President and Chief Executive Officer ("Memorandum") for a term of seven years, to commence upon either (1) the expiration of the term of the allocation, or (2) at the Authority's discretion, commencing on a date to be agreed upon by the Authority and the customer, for a term not to exceed seven years (collectively, the "Extended Term"), subject to the following conditions:

(a) the sale of the allocations as extended herein shall be made pursuant to the contract form approved by the Board of Trustees on March 26, 2019, and in accordance with Authority Service Tariff RNY-1; and

(b) in order to receive an extension of its allocation, the customer agrees, for the Extended Term, to provide the supplemental commitments related to jobs, capital investment and power utilization that are the same as, or substantially similar to, the recommendations (subject to adjustments described above) as determined by the Authority. These supplemental commitments must be incorporated into the final contract executed by the parties. RNY Power customers who do not have an ongoing project or expansion-related capital investment commitment, shall be required to meet a minimum capital investment commitment, which may be satisfied through capital expenditures made over a five-year period; and be it further

RESOLVED, That the Trustees hereby accept the recommendations of the EDPAB and approve the 12 modifications/adjustments to the RNY Power allocations, extensions, and/or related supplemental commitments described in the Memorandum, for the reasons indicated in the Memorandum; and be it further

RESOLVED, That the Trustees hereby accept the recommendation of the EDPAB and approve the two new RNY Power allocations for retention purposes for the reasons indicated in the Memorandum; and be it further

RESOLVED, That the Trustees hereby accept the recommendation of the EDPAB and approve the two new RNY Power allocations for expansion purposes for the reasons indicated in the Memorandum; and be it further

RESOLVED, That the Trustees hereby accept the recommendation of the EDPAB and approve the seven RNY Power allocations for retention and/or expansion purposes to the small businesses and/or not-for-profit applicants for the reasons indicated in the Memorandum; and be it further

RESOLVED, That the Senior Vice President, Customer Solutions, or such official's designee, is hereby authorized on behalf of the Authority to provide for final terms and conditions that will be applicable to the foregoing allocations and/or projects, including without limitation, progress milestones and provisions for the expiration of any allocation in the event that such milestones are not met; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions, and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

New York Power Authority **Exhibit "A"**

Extension Recommendations - RNY Power Allocations for Retention Purposes (Large Businesses, Small Business, and/or NFP Corporations) **July 29, 2025**

Retention-Based Allocations

Line	Company	City	County	Economic Development Region	IOU	Description	Current kW Amount	Recommended kW Amount	Job Commitments	Capital Investment Commitment ($)		Contract Term (Years)
1	Auburn Senior Services, Inc.	Auburn	Cayuga	Central New York	NYSEG	Rehabilitation and healthcare facility	140	140	250	$100,000		7
2	Matt Industries Inc.	Syracuse	Onondaga	Central New York	NGRID	Commercial printing services	532	532	165	$3,000,000		7
3	Oneida Molded Plastics, LLC	Oneida	Madison	Central New York	NGRID	Custom injection molding services	380	380	150	$750,000		7
4	Tessy Plastics Corp.	Skaneateles Falls	Onondaga	Central New York	NGRID	Manufacturer of plastic components	210	210	100	$250,000		7
	Central New York Region Sub-totals:						**1,262**	**1,262**	**665**	**$4,100,000**		
5	Abandon Brewing Company	Penn Yan	Yates	Finger Lakes	NYSEG	Brewery for craft beers	20	20	4	$10,000		7
6	Schum-Acres Dairy OPS, LLC	Naples	Ontario	Finger Lakes	NYSEG	Dairy farm	342	342	40	$3,500,000	(1)	7
	Finger Lakes Region Sub-totals:						**362**	**362**	**44**	**$3,510,000**		
7	Certified Laboratories, LLC	Melville	Suffolk	Long Island	LIPA	Food testing laboratory	186	186	133	$550,000		7
8	Land O'Lakes, Inc.	Hicksville	Nassau	Long Island	LIPA	Manufacturer of pudding products	810	810	174	$3,700,000		7
9	Oerlikon Metco (US) Inc.	Westbury	Nassau	Long Island	LIPA	Manufacturer of surface technologies	1,170	1,170	275	$5,000,000		7
	Long Island Region Sub-totals:						**2,166**	**2,166**	**582**	**$9,250,000**		
10	Allstate Apple Exchange, Inc.	Milton	Ulster	Mid-Hudson	CHUD	Apple farm & orchard	90	90	40	$125,000		7
	Mid-Hudson Region Sub-totals:						**90**	**90**	**40**	**$125,000**		
11	Hunts Point Cooperative Market, Inc.	Bronx	Bronx	New York City	CONED	Food distribution center	2,726	2,726	2,400	$1,000,000		7
12	USTA National Tennis Center Incorporated	Flushing	Queens	New York City	CONED	Year-round tennis center	216	216	129	$250,000,000		7

New York Power Authority **Exhibit "A"**

Extension Recommendations - RNY Power Allocations for Retention Purposes (Large Businesses, Small Business, and/or NFP Corporations) **July 29, 2025**

Retention-Based Allocations

Line	Company	City	County	Economic Development Region	IOU	Description	Current kW Amount	Recommended kW Amount	Job Commitments	Capital Investment Commitment ($)		Contract Term (Years)
	New York City Region Sub-totals:						**2,942**	**2,942**	**2,529**	**$251,000,000**		
13	Manitoba Corporation	Lancaster	Erie	Western New York	NYSEG	Recycling center for scrap metals	246	100	35	$125,000	(2)	7
	Western New York Region Sub-totals:						**246**	**100**	**35**	**$125,000**		
	Totals						**7,068**	**6,922**	**3,895**	**$268,110,000**		

(1) The customer's extension recommendation includes a modification to combine multiple allocations into one RNY Power allocation.
(2) The customer requested a reduced RNY power allocation for its extension.

New York Power Authority **Exhibit "B"**

Modifications to Existing RNY Power Allocations, Extensions, and/or Related Supplemental Commitments **July 29, 2025**

1. Modifications Resulting in Additional Extension-Related RNY Power Recommendations

Line	Company	City	County	Economic Development Region	IOU	Description	Current kW Amount	Recommended kW Amount	Final Job Commitments	Final Capital Investment Commitment	Contract Term (years)
1	Auburn Community Hospital	Auburn	Cayuga	Central New York	NYSEG	Hospital & healthcare services	40	476	747	$5,000,000	7
2	Snyder Industries, Inc.	Tonawanda	Erie	Western New York	NGRID	Manufacturer of machined components	190	1,000	75	$4,000,000	7

2. Modifications to Previously-Approved Combined RNY Extension Allocations

Line	Company	City	County	Economic Development Region	IOU	Description	Current kW Amount	Recommended kW Amount	Final Job Commitments	Final Capital Investment Commitment	Contract Term (years)
3	American Rock Salt Company LLC	Mount Morris	Livingston	Finger Lakes	RGE	Distributor of rock salt products	2,650	2,650	283	$40,000,000	7
4	Ametek Thermal Systems, Inc.	Garden City	Nassau	Long Island	LIPA	Manufacturer of heat exchangers	810	810	172	$2,500,000	7
5	Chapin Manufacturing, Inc.	Batavia	Genesee	Finger Lakes	NGRID	Manufacturer of air compressed sprayers	1,016	1,016	188	$400,000	7
6	Commitment 2000, Inc.	Buffalo	Erie	Western New York	NGRID	Manufacturer of bread products	252	252	62	$750,000	7
7	Crescent Duck Farm, Inc.	Aquebogue	Suffolk	Long Island	LIPA	Duck farm & poultry processing	536	536	75	$2,500,000	7
8	DeIorio Foods, Inc.	Utica	Oneida	Mohawk Valley	NGRID	Manufacturer of frozen dough products	1,250	994	200	$5,000,000	7
9	Southern Glazer's Wine and Spirits of Upstate New York LLC	Syracuse	Onondaga	Central New York	NGRID	Distribution facility for wine & spirits	350	350	610	$3,000,000	7

3. Modifications to Combine Allocations for RNY Extensions

Line	Company	City	County	Economic Development Region	IOU	Description	Current kW Amount	Recommended kW Amount	Final Job Commitments	Final Capital Investment Commitment	Contract Term (years)
10	Micro Bird USA LLC	Plattsburgh	Clinton	North Country	NYSEG	Manufacturer of transit & school buses	220	220	274	$4,500,000	7
11	Schum-Acres Dairy OPS, LLC	Naples	Ontario	Finger Lakes	NYSEG	Dairy farm	342	342	40	$3,500,000	7

4. Modifications to the Legal Entity Name for a Previously-Approved RNY Expansion Power Allocation

Line	Company	City	County	Economic Development Region	IOU	Description	Current kW Amount	Recommended kW Amount	Final Job Commitments	Final Capital Investment Commitment	Contract Term (years)
12	Micro Bird USA LLC	Plattsburgh	Clinton	North Country	NYSEG	Manufacturer of transit & school buses	640	640	325	$30,000,000	7

New York Power Authority **Exhibit "C"**

Recommendations - RNY Power Allocations for Retention Purposes **July 29, 2025**

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation	Jobs Retained	Jobs Created	Capital Investment ($)		Contract Term (Years)
1	Briggs & Stratton, LLC	Munnsville	Madison	Central New York	NGRID	Manufacturer of lawn mower engines	437	240	53	0	$500,000	(1)	7
	Central New York Region Sub-totals:							**240**	**53**	**0**	**$500,000**		
2	International Paper Company	Conklin	Broome	Southern Tier	NYSEG	Manufacturer of packaging solutions	1,075	536	110	0	$15,000,000		7
	Southern Tier Region Sub-totals:							**536**	**110**	**0**	**$15,000,000**		
	Totals							**776**	**163**	**0**	**$15,500,000**		

(1) This company is also being recommended for an expansion-related allocation of RNY Power for separate and distinct job creation and capital investment commitments associated with the proposed business expansion.

New York Power Authority **Exhibit "D"**

Recommendations - RNY Power Allocations for Expansion Purposes **July 29, 2025**

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation (1)	Base Employment (2)	Job Creation Commitment	Project Capital Investment ($)		Contract Term (Years)
1	Briggs & Stratton, LLC	Munnsville	Madison	Central New York	NGRID	Manufacturer of lawn mower engines	140	106	53	27	$2,000,000	(3)	7
	Central New York Region Sub-totals:							**106**	**0**	**27**	**$2,000,000**		
2	Sysco Long Island, LLC	Central Islip	Suffolk	Long Island	LIPA	Food service distributor	700	630	313	10	$300,000	(4)	7
	Long Island Region Sub-totals:							**630**	**82**	**10**	**$300,000**		
	Totals							**736**	**82**	**37**	**$2,300,000**		

(1) All expansion-based RNY Power allocations are recommended to be "up to" the amount indicated pending the applicant's compliance with contractual commitments, including commitments relating to job creation, capital investment spending and power utilization.

(2) The number of new jobs committed will be above a base employment level specified in the power sale contract with the applicant.

(3) This company is also being recommended for a retention-based RNY Power allocation associated with separate and distinct contractual commitments relating to such matters as job retention, capital investment spending, and power utilization associated with an existing business.

(4) This company is a current RNY Power customer being recommended for an additional expansion allocation. The appropriate amounts related to the company's current job commitments have been removed from the totals above to properly reflect the increased amounts associated with the new award.

New York Power Authority **Exhibit "E"**

Recommendations - RNY Power Allocations for Retention & Expansion Purposes (Small Business and/or NFP Corporations) **July 29, 2025**

Retention-Based Allocations

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation	Jobs Retained	Jobs Created	Capital Investment ($)		Contract Term (Years)
1	American Diagnostic Corporation	Hauppauge	Suffolk	Long Island	LIPA	Manufacturer of medical equipment	95	46	115	0	$150,000		7
2	Pronto Tool & Die Co., Inc.	Ronkonkoma	Suffolk	Long Island	LIPA	Tool & die manufacturing services	102	50	15	0	$600,000		7
3	Rota Pack Inc.	Farmingdale	Suffolk	Long Island	LIPA	Manufacturer of custom machined parts	35	16	15	0	$100,000		7
4	Supreme Screw Products, Inc.	Plainview	Nassau	Long Island	LIPA	Manufacturer of medical device components	236	116	130	0	$2,500,000	(1)	7
	Long Island Region Sub-totals:							**228**	**275**	**0**	**$3,350,000**		
	Retention-Based Totals							**228**	**275**	**0**	**$3,350,000**		

Expansion-Based Allocations

Line	Company	City	County	Economic Development Region	IOU	Description	kW Request	kW Recommendation (2)	Base Employment	Job Creation Commitment	Project Capital Investment ($)		Contract Term (years)
5	NSH USA Corporation	Menands	Albany	Capital District	NGRID	Manufacturer of railroad maintenance tools	980	540	102	10	$9,080,000	(3)	7
	Capital District Region Sub-totals:							**540**	**2**	**10**	**$9,080,000**		
6	Supreme Screw Products, Inc.	Plainview	Nassau	Long Island	LIPA	Manufacturer of medical device components	40	20	130	7	$3,700,000	(1), (4)	7
	Long Island Region Sub-totals:							**20**	**0**	**7**	**$3,700,000**		
7	The Woodstock School of Art, Inc.	Woodstock	Ulster	Mid-Hudson	CHUD	Arts & cultural center	30	10	2	1	$662,812		7
	Mid-Hudson Region Sub-totals:							**10**	**2**	**1**	**$662,812**		
	Expansion-Based Totals							**570**	**4**	**18**	**$13,442,812**		
	Retention & Expansion-Based Totals							**798**	**279**	**18**	**$16,792,812**		

(1) The applicant is being recommended for both RNY retention and expansion-based allocations.

(2) All expansion-based RNY Power allocations are recommended to be "up to" the amount indicated pending the applicant's compliance with contractual commitments, including commitments relating to job creation, capital investment spending, and power utilization.

(3) This company is a current RNY Power customer being recommended for an additional expansion allocation. The appropriate amounts related to the company's current job commitments have been removed from the totals above to properly reflect the increased amounts associated with the new award.

(4) The number of new jobs committed will be above a base employment level specified in the applicant's retention-based allocation recommendation.

New York Power Authority **Exhibit "F"**

ReCharge New York Power Program **July 29, 2025**

Informational Item Applicant/Application Not Recommended for RNY Power Allocation

Line	Company	City	County	Economic Development Region	IOU	Description	Reason
1	Nestor Technologies LLC	Buffalo	Erie	Western New York	NGRID	Data mining operations center	Specific entities within the facility that would use and receive the benefit of an RNY allocation would not have a utility account or utility grade demand meter, and therefore it would not be possible for the utility to collect demand and usage data from specific users of RNY Power.

New York Power Authority **Exhibit "G"**
ReCharge New York Power Program **July 29, 2025**
Informational Item - Terminate Application/Review Process

Line	Company	City	County	Economic Development Region	IOU	Description	Reason
1	Advantech Industries, Inc. and Precise Tool & Manufacturing, Inc.	Rochester	Monroe	Finger Lakes	RGE	Sheet metal fabrication & assembly	The applicant submitted an incomplete application, preventing a complete analysis of the application. The applicant may consider reapplying if and when able to advance a more complete RNY Power application.

New York Power Authority **Exhibit "H"**
Statutory Criteria - RNY Power Program **July 29, 2025**

Line	Criteria Description
1	The significance of the cost of electricity to the applicant's overall cost of doing business, and the impact that a Recharge New York power allocation will have on the applicant's operating costs;
2	The extent to which a Recharge New York power allocation will result in new capital investment in the state by the applicant;
3	The extent to which a Recharge New York power allocation is consistent with any regional economic development council strategies and priorities;
4	The type and cost of buildings, equipment and facilities to be constructed, enlarged or installed if the applicant were to receive an allocation;
5	The applicant's payroll, salaries, benefits and number of jobs at the facility for which a Recharge New York power allocation is requested;
6	The number of jobs that will be created or retained within the state in relation to the requested Recharge New York power allocation, and the extent to which the applicant will agree to commit to creating or retaining such jobs as a condition to receiving a Recharge New York power allocation;
7	Whether the applicant, due to the cost of electricity, is at risk of closing or curtailing facilities or operations in the state, relocating facilities or operations out of the state, or losing a significant number of jobs in the state, in the absence of a Recharge New York power allocation;
8	The significance of the applicant's facility that would receive the Recharge New York power allocation to the economy of the area in which such facility is located;
9	The extent to which the applicant has invested in energy efficiency measures, will agree to participate in or perform energy audits of its facilities, will agree to participate in energy efficiency programs of the authority, or will commit to implement or otherwise make tangible investments in energy efficiency measures as a condition to receiving a Recharge New York power allocation;
10	Whether the applicant receives a hydroelectric power allocation or benefits supported by the sale of hydroelectric power under another program administered in whole or in part by the New York Power Authority;
11	The extent to which a Recharge New York power allocation will result in an advantage for an applicant in relation to the applicant’s competitors within the state; and
12	In addition to the foregoing criteria, in the case of a not-for-profit corporation, whether the applicant provides critical services or substantial benefits to the local community in which the facility for which the Recharge New York power allocation is requested is located.

NY Power Authority | Canal Corporation

Memorandum

Date: July 29, 2025

To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES

From: PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Transfer of ReCharge New York Power Allocations

SUMMARY

The Trustees are requested to approve the transfers of the following power allocations awarded by the New York Power Authority ("Authority"):

1. Transfer of a 660 kilowatt ("kW") RNY Power allocation awarded to Sonoco Plastics, Inc. ("Sonoco Plastics"), for use at its facilities at 87 Center Street, Chatham, NY 12037, New York facility, to Sonoco Industrial Plastics, LLC ("Sonoco Industrial"), to address organizational changes.

2. Transfer of a 130 kW RNY Power allocation awarded to Friends of New World Prep, Inc. ("Friends"), for use at its 26 Sharpe Avenue, Staten Island, NY 10302, New York facility, to New World Preparatory Charter School ("New World"), to address organizational changes.

3. Transfer of a 1,250 kW RNY Power allocation awarded to Empire Cheese, Inc. ("Empire"), for use at its 4520 Haskell Road, Cuba, NY 14727, New York facility, to Great Lakes Cheese Co., Inc. ("Great Lakes"), for use at its 1958 Integrity Way, Franklinville, NY 14737, New York facility, to address organizational changes.

Transfers of RNY Power are subject to review and approval of the Economic Development Power Allocation Board ("EDPAB"). At its July 29, 2025, meeting, EDPAB approved the transfers of these RNY Power allocations.

DISCUSSION

The following discussion describes the facts relating to the recommended transfers.

1) Sonoco Plastics, Inc.

Sonoco Plastics was awarded a 660 kW allocation of RNY Power for use at its facility located in Chatham, NY. This facility manufactures and supplies of high-performance plastic materials and products used in various industrial applications.

Sonoco Plastics and Sonoco Industrial request that the 660 kW RNY Power allocation be transferred from Sonoco Plastics to Sonoco Industrial. Sonoco Industrial has indicated that it

will honor all the terms and commitments made by Sonoco Plastics under the Agreement for the Sale of Recharge New York and Energy with the Authority covering the allocation.

2) Friends of New World Prep, Inc.

Friends was awarded a 130 kW RNY Power allocation for use at its facility located in Staten Island, NY. Friends leases the property to New World, an educational institution that operates as a charter school.

Friends and New World request that the 130 kW RNY Power allocation be transferred from Friends to New World. New World has indicated to NYPA that it will honor all the terms and commitments approved by the Board regarding the award of the allocation to Friends. If this transfer is approved, the Authority will enter into a power sale agreement with New World.

3) Empire Cheese, Inc.

Empire was awarded a 1,250 kW RNY Power allocation for use at its facility located in Cuba, NY. Empire, a subsidiary of Great Lakes, manufactured and packaged pasta filata style cheese. The facility in Franklinville, NY, was built to replace and expand the operations of Empire's manufacturing plant in Cuba, NY. In the facility located in Franklinville, Great Lakes will continue to manufacture and package pasta filata style cheese along with natural cheddar cheese products, in addition to selling whey proteins.

Empire and Great Lakes request that the 1,250 kW RNY Power allocation be transferred from Empire to Great Lakes and that the allocation be transferred from the facility at Cuba, NY, to, another facility located at Franklinville, NY. Great Lakes has indicated that it will honor all of the commitments associated with the RNY Power allocation.

The Trustees have previously approved transfers of Authority power allocations in similar circumstances.

RECOMMENDATION

Staff recommends that the Trustees approve the transfers discussed above, subject to the following conditions: (1) there be no material reductions in the base employment level or capital investment commitment associated with the allocations that would be transferred; and (2) the transfers are addressed in contract documents containing such terms and conditions determined by the Authority to be appropriate to effectuate the transfers.

For the reasons stated, I recommend the approval of the above-requested actions by adoption of the resolution below.

Justin E. Driscoll
President and Chief Executive Officer

RESOLUTION

RESOLVED, That the transfer of a 660 kilowatt ("kW") allocation of Recharge New York ("RNY") Power awarded to Sonoco Plastics, Inc., for use at its facility located at 87 Center Street, Chatham, NY 12037, to Sonoco Industrial Plastics, LLC, as described in the foregoing memorandum of the President and Chief Executive Officer ("Memorandum") be, and hereby is, approved subject to (1) such terms and conditions as are set forth in the foregoing Memorandum, and (2) such terms and conditions as are required by the New York Power Authority ("Authority") in contract documents prepared by the Authority in order to effectuate the transfer; and be it further

RESOLVED, That the transfer of a 130 kW RNY Power allocation awarded to Friends of New World Prep, Inc., for use at its facility located at 26 Sharpe Avenue, Staten Island, NY 10302, to New World Preparatory Charter School, as described in the foregoing Memorandum be, and hereby is, approved subject to (1) such terms and conditions as are set forth in the foregoing Memorandum, and (2) such terms and conditions as are required by the Authority in contract documents prepared by the Authority in order to effectuate the transfer; and be it further

RESOLVED, That the transfer of a 1,250 kW RNY Power allocation awarded to Empire Cheese, Inc., for use at its facility located at 4520 Haskell Road, Cuba, NY 14727, to Great Lakes Cheese Co., Inc., for use at its facility located at 1958 Integrity Way, Franklinville, NY 14737, as described in the foregoing Memorandum be, and hereby is, approved subject to (1) such terms and conditions as are set forth in the foregoing Memorandum, and (2) such terms

and conditions as are required by the Authority in contract documents prepared by the Authority in order to effectuate the transfer; and be it further

RESOLVED, That the Chair and the President and Chief Executive Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: July 29, 2025

To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES

From: PRESIDENT & CHIEF EXECUTIVE OFFICER

Subject: High Load Factor Power Allocation

SUMMARY

The New York Power Authority Board of Trustees ("Board of Trustees") is requested to approve the following:

a) An allocation of 15,000 kilowatts ("kW") of High Load Factor ("HLF") Power to Empire AI Consortium, Inc. ("Empire AI") for a term of ten years, to support the establishment of a new high-performance computing center for advanced research, innovation, and the development of artificial intelligence ("AI") technologies that serve the public good; and

b) The proposed contract (hereinafter, "Contract") that would, along with Authority Service Tariff No. HLF-1 ("ST HLF-1"), apply to the sale of the HLF Power allocation to Empire AI, which is attached as Exhibit "A".

The project would locate at the State University of New York ("SUNY") campus of the University at Buffalo ("UB"), located at 75 Service Center Road, Amherst, New York (Erie County).

BACKGROUND

The Authority is authorized to allocate and sell HLF Power by the Power Authority Act, including Public Authorities Law ("PAL") §1001 and §1005. The statute defines a high load factor manufacturer as "one which normally utilizes a minimum electric demand of five thousand kilowatts, and which will normally utilize energy at the rate of approximately five hundred forty kilowatt hours per month for each kilowatt of demand and of which the cost of electricity normally represents at least seven and one-half percent of its total product value." Since the closure of the Authority's James A. Fitzpatrick nuclear power plant in or around approximately 2005, the Authority has sourced HLF Power from market sources.

DISCUSSION

Launched in 2024, Empire AI is a New York not-for-profit corporation that is a consortium of New York State's leading public and private research institutions to advance AI for the public good. The project would establish a new 30,000 square-foot state-of-the-art AI computing center housed on UB's North Campus in Amherst, New York.

The founding member institutions of Empire AI consist of SUNY, City University of New York, Columbia University, Cornell University, New York University, Rensselaer Polytechnic Institute, and the Flatiron Institute. It is anticipated that additional SUNY campuses would be involved in AI research and that several other colleges and universities would join Empire AI in the future.

The project would establish New York State as a leader in responsible AI innovation. Research areas

would include critical subjects such as climate change, clean energy solutions, healthcare, education, food insecurity, and urban poverty. Through its research capabilities, the project aims to help mitigate the impacts of climate change and aligns with the State's transition to low-and zero-carbon clean energy, supporting the Climate Leadership and Community Protection Act's goal of reducing greenhouse gas emissions by 85 percent by 2050.

Several high-performance computer systems would be operated at the site for AI research purposes serving the public good. The computational processing power afforded through Empire AI would be a critical component of the project that will enable advanced research capabilities at a scale typically seen in the largest technology companies. It is anticipated that three generations of supercomputer systems will be installed at the facility over the project lifecycle. Empire AI is planning initial phases of the project to begin in 2025, and anticipates operations to begin at the computing facility in three years.

In May 2025, Empire AI applied to the Authority for 15,000 kW of HLF Power to support the project. Staff recommends an HLF Power allocation in the amount of 15,000 kW to fully support the project for a ten-year term.

The consortium's expansion project would involve a capital investment commitment of at least $350 million. This includes the installation of several high-performance supercomputer systems (capital investment expenditure of approximately $280 million) and data center construction costs (capital investment expenditure of approximately $70 million).

The consortium would commit to the creation of 15 new, permanent, full-time jobs at UB's North Campus in Amherst, New York, over the term of the allocation. The average annual compensation and benefits for each job are estimated to be $195,000 per job.

CONTRACT INFORMATION

ST HLF-1 would apply to the sale of the HLF Power. The following is a summary of some of the matters addressed in the Contract and ST HLF-1:

- Monthly rates to be charged to the Customer for Firm Market Energy and Capacity will be based on the actual costs incurred by the Authority in each billing period.

- Recovery of all New York Independent System Operator ("NYISO") related costs the Authority incurs in connection with provision of Electric Service and the Authority's role as load serving entity for the Customer.

- The Customer will pay the Authority for unforced capacity the Authority supplies to meet the Customer's NYISO requirements associated with the allocation.

- The Contract provides for supplemental commitments by the Customer relating to job creation/retention, capital investment, and power utilization. The Contract also includes compliance provisions that allow the Authority to reduce the HLF Power allocation if the Customer fails to meet those supplemental commitments.

- The Contract contains provisions for the recovery of the Authority's costs for actions taken to comply with the State Energy Plan and Clean Energy Standard, such as the purchase of Zero Emission Credits and Renewable Energy Credits in amounts that correspond to the load served under the Contract.

- The Authority will periodically communicate with the Customer about energy-related projects, programs and services offered by the Authority.

- The term of the allocation is ten years.

FISCAL INFORMATION

The Authority expects that HLF Power will be sourced from the market. The Contract and ST HLF-1 would provide for full cost recovery. The actions recommended herein will not have a negative impact on the Authority's finances.

RECOMMENDATION

The Senior Vice President, Customer Solutions, requests that the Board of Trustees approve the following:

1) An allocation of 15,000 kW of HLF Power to Empire AI as described herein, for a term of ten years; and

2) The proposed Contract attached as Exhibit "A" for the sale of HLF Power to Empire AI.

For the reasons stated, I recommend the approval of the above-requested actions by adoption of the resolution below.

Justin E. Driscoll
President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, That an allocation of 15,000 kilowatts ("kW") of High Load Factor ("HLF") Power be awarded to Empire AI Consortium, Inc. ("Empire AI"), in connection with its expansion project to establish a new artificial intelligence computing center at the State University of New York ("SUNY") North Campus of the University at Buffalo ("UB") in Amherst, New York, for a term of 10 years, as detailed in the foregoing Memorandum of the President and Chief Executive Officer ("Memorandum"), be and hereby is approved, subject to Service Tariff No. HLF-1 previously approved by the Board of Trustees; and be it further

RESOLVED, That the proposed Contract for the sale of HLF Power to Empire AI, along with Service Tariff No. HLF-1, is hereby approved; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions, and execute and deliver any and all agreements, certificates, and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

Exhibit A
July 29, 2025

POWER AUTHORITY

OF THE

STATE OF NEW YORK

30 South Pearl Street
10th Floor
Albany, New York 12207-3425

AGREEMENT FOR THE SALE OF HIGH LOAD FACTOR POWER

(Empire AI Consortium, Inc.)

The POWER AUTHORITY OF THE STATE OF NEW YORK ("Authority"), created pursuant to Chapter 772 of the New York Laws of 1931 and existing under Title 1 of Article 5 of the New York Public Authorities Law ("PAL"), with offices and principal place of business at 30 South Pearl Street, 10th Floor, Albany, New York 12207-3425 ("Authority"), hereby enters into this Agreement for the Sale of High Load Factor Power ("Agreement") with Empire AI Consortium, Inc. ("Customer") having offices at 75 Service Center Road, Amherst, NY 14260. The Authority and the Customer are from time to time referred to in this Agreement individually as a "Party" or collectively as the "Parties."

ARTICLE I
DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Agreement, shall have the meanings as set forth below. When used with initial capitalization, whether singular or plural, terms defined in schedules, appendices and/or exhibits to this Agreement shall have the meanings set forth in such schedules or appendices.

"Agreement" means this Agreement as further described in the preamble, including all schedules, appendices and other materials incorporated into the Agreement.

"Allocation" means the amount of High Load Factor Power allocated to the Customer that is specified in Schedule A.

"Billing Period" has the meaning set forth in Service Tariff No. HLF-1.

"Contract Demand" has the meaning set forth in Service Tariff No. HLF-1.

"Effective Date" means the date that this Agreement is fully executed by the Parties.

"Electric Service" is Firm Market Power and Firm Market Energy associated with the Allocation and sold to the Customer in accordance with the provisions of this Agreement, Service Tariff No. HLF-1 and the Rules.

"Eligible Entity" means a business entity that normally utilizes a minimum electric demand of 5,000 kW, that will normally utilize energy at the rate of approximately 540 kWh per month for each kW of demand, and for which the cost of electricity normally represents at least 7.5% of its total product value.

"Energy Services" has the meaning set forth in Article IX of this Agreement.

"Expansion Project" has the meaning set forth in Section VI.2 of this Agreement.

"Facility" means the Customer's place of business specified in Schedule A to this Agreement that will receive or is receiving the Allocation.

"FERC" means the Federal Energy Regulatory Commission (or any successor organization).

"Firm Market Energy" has the meaning set forth in Service Tariff No. HLF-1.

"Firm Market Power" has the meaning set forth in Service Tariff No. HLF-1.

"High Load Factor Power" or "HLF Power" means high load factor power and energy that the Authority is authorized to allocate and sell under PAL § 1005, which for purposes of this Agreement consists of Firm Market Power and associated Firm Market Energy as further described herein and in Service Tariff No. HLF-1.

"Load Serving Entity" (or "LSE") means an entity that provides capacity, energy and ancillary services to a consumer in compliance with NYISO Tariffs, rules, manuals and procedures.

"Local Electric Utility" means one or more local electric utilities that will be responsible for delivery of the Allocation to the Facility and/or whose transmission/delivery infrastructure will be used in connection with the delivery of the Allocation.

"Maximum Metered Demand" has the meaning specified in Schedule B of this Agreement.

"Metering Arrangement" has the meaning set forth in Section II.9 of this Agreement.

"NYEM" means the New York Energy Manager, an energy management center owned and operated by the Authority.

"NYEM Agreement" means a written agreement between the Authority and the Customer providing for the Facility's enrollment and Customer's participation in NYEM.

"NYEM Participation" has the meaning specified in Schedule B of this Agreement.

"NYISO" means the New York Independent System Operator, Inc. or any successor organization.

"NYISO Charges" has the meaning set forth in Service Tariff No. HLF-1.

"NYISO Tariffs" has the meaning set forth in Service Tariff No. HLF-1.

"Physical Energy Audit" means a physical evaluation of the Facility in a manner approved by the Authority that includes at a minimum the following elements: (a) an assessment of the Facility's energy use, cost and efficiency which produces an energy utilization index for the Facility (such as an Energy Use Intensity or Energy Performance Indicator); (b) a comparison of the Facility's energy utilization index to indices for similar buildings/facilities; (c) an analysis of low-cost/no-cost measures for improving energy efficiency; (d) a listing of potential capital improvements for improving energy consumption; and (e) an initial assessment of potential costs and savings from such measures and improvements.

"PSC" means the Public Service Commission of the State of New York.

"Reporting Period" has the meaning set forth in Section II.1 of Schedule B of this Agreement, subject to change without notice.

"Rules" refers to the Authority's Rules and Regulations set forth in Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York, as may be modified from time to time by the Authority.

"Schedule A" refers to the Schedule A entitled "High Load Factor Power Allocations" which is attached to and made part of this Agreement.

"Schedule B" refers to the Schedule B entitled "HLF Power Supplemental Commitments" which, along with its attachments/appendices, is attached to and made part of the Agreement.

"Schedule C" refers to the Schedule C entitled "Takedown Schedule" which is attached to and made part of the Agreement.

"Schedule D" refers to the Schedule D entitled "Monthly Clean Energy Implementation Charge" which is attached to and made part of this Agreement.

"Service Information" has the meaning set forth in Section II.11 of this Agreement.

"Service Tariff No. HLF-1 or "Service Tariff" means the Authority's Service Tariff No. HLF-1, issued on or about the Effective Date, as modified from time to time by the Authority, which contains, among other things, the schedule establishing rates and other commercial terms for sale of Electric Service to Customer under this Agreement.

"Supplemental Commitments" has the meaning set forth in Section VI.1.

"Supplemental Power" means default or supplemental power and associated energy that is required by the Customer because the Customer's Allocation does not satisfy its full electric load.

"Takedown" means the portion of the Allocation that Customer requests to be scheduled for a specific period as provided for in Schedule C, if applicable.

"Takedown Schedule" means a schedule agreed to by the Parties pursuant to which the Allocation will be made available to the Customer.

"Taxes" have the meaning set forth in Service Tariff No. HLF -1.

"Unforced Capacity" or "UCAP" has the meaning set forth in Service Tariff No. HLF-1.

"Utility Tariff" means the retail tariff(s) of the Customer's Local Electric Uutility filed and approved by the PSC, which addresses the terms and conditions for the delivery of HLF Power.

ARTICLE II
ELECTRIC SERVICE

1. The Authority will make available Electric Service to enable the Customer to receive the Allocation in accordance with this Agreement, the Service Tariff and the Rules. A copy of Service Tariff No. HLF-1 in effect on or about the date of the execution of this Agreement is attached to this Agreement as Exhibit 1 and will apply to this Agreement with the same force and effect as if fully set forth herein.

2. The Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation specified in Schedule A. The Customer is not entitled to receive Electric Service under this Agreement for any HLF allocation unless such HLF allocation is identified in Schedule A. If Schedule C specifies a Takedown Schedule for the Allocation, the Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation in accordance with such Takedown Schedule.

3. The Contract Demand may not exceed the Allocation.

4. As part of its Electric Service to the Customer, the Authority will provide UCAP, and the Customer shall be responsible for paying the Authority for such UCAP, in accordance with Service Tariff No. HLF-1.

5. The commencement of Electric Service is subject to the terms of this Agreement, Service Tariff No. HLF-1, the Rules, applicable operating procedures of the Authority, and applicable tariffs and operating procedures of the Local Electric Utility and the NYISO.

6. The provision of Electric Service associated with the Allocation is an unbundled service separate from the transmission and delivery of power and energy to the Customer. The Customer acknowledges and agrees that one or more Local Electric Utilities will be responsible for delivering the Allocation to the Facility, and therefore the Authority has no responsibility for delivering the Allocation to the Facility. Unless otherwise agreed to by the Authority in writing, the Customer shall be responsible for securing the agreement or consent of any party that is needed for delivery of the Allocation to the Facility.

7. The provision of Electric Service by the Authority is dependent upon the existence of a written agreement between the Authority and the Customer's Local Electric Utility, or another arrangement acceptable to the Authority, providing for the delivery of HLF Power to the Facility on terms and conditions that are acceptable to the Authority.

8. Service Tariff No. HLF-1 is subject to revision by the Authority from time to time, and if revised, the revised provisions thereof will apply under this Agreement with the same force and effect as if set forth herein. The Authority will provide at least thirty (30) days prior written notice to the Customer of any proposed change in the Rules or Service Tariff No. HLF-1.

9. The Customer's Facility must be metered by the Customer's Local Electric Utility in a manner satisfactory to the Authority, or another metering arrangement satisfactory to the Authority must be provided (collectively, "Metering Arrangement"). A Metering Arrangement that is not satisfactory to the Authority shall be grounds for the Authority in its sole discretion to withhold, suspend, or terminate Electric Service to the Customer. After commencement of Electric Service, the Customer shall notify the Authority in writing within thirty (30) days of any alteration to the Facility's Metering Arrangement, and provide any information requested by the Authority (including Facility access) to enable the Authority to determine whether the Metering Arrangement remains satisfactory. If an altered Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination it is unsatisfactory, the Authority may in its sole discretion withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. The Authority may, in its sole discretion, waive any of the requirements provided for in this Section II.9 in whole or in part where, in the Authority's judgment, another mechanism satisfactory to the Authority can be implemented to enable the Authority to receive pertinent, timely and accurate information relating to the Customer's energy consumption and demand and render bills to the Customer for all charges that become due in accordance with this Agreement, Service Tariff No. HLF-1 and the Rules.

10. The Customer consents to the exchange of information between the Authority and the Customer's Local Electric Utility pertaining to the Customer that such parties determine is necessary to provide for the sale and delivery of HLF Power to the Customer, the proper and efficient implementation of the HLF Power program, billing related to HLF Power, and/or the performance of such parties' obligations under any contracts or other arrangements between them relating to such matters. In addition, the Customer agrees to complete such forms and consents as the Authority determines are necessary to effectuate such exchanges of information.

11. The Customer understands and acknowledges that the Authority may, from time to time, require the Customer to complete forms, provide documentation, execute consents and provide other information (collectively, "Service Information") that the Authority determines is necessary for the provision of Electric Service, the delivery of HLF Power, billing related to the HLF Power Program, the effective and proper administration of the HLF Power program, and/or the performance of contracts or other arrangements between the Authority and the Customer's Local Electric Utility. The Customer's failure to provide such Service Information on a timely basis shall be grounds for the Authority, in its sole discretion, to modify, suspend, or terminate Electric Service to the Customer.

12. The Authority may modify, suspend or terminate Electric Service under this Agreement or modify, suspend, or terminate the quantities of power and energy associated with any Allocation if: (a) such modification, suspension, or termination is required to comply with any final ruling, order or decision of any regulatory or judicial body of competent jurisdiction; (b) the Customer ceases to be an Eligible Entity; (c) the Authority ceases to be authorized to allocate and sell HLF Power; or (d) as otherwise provided in this Agreement, Service Tariff No. HLF-1, or in the Rules. Unless such notice is not

practicable, the Authority will provide thirty (30) days prior written notice to the Customer before any such modification, suspension, or termination pursuant to this provision.

ARTICLE III
RATES, TERMS AND CONDITIONS

1. Electric Service shall be sold to the Customer in accordance with this Agreement, Service Tariff No. HLF-1 and the Rules.

2. The Service Tariff and the Rules may be amended from time to time by the Authority and, if revised, the revised provisions thereof will apply under this Agreement with the same force and effect as if set forth herein. The Authority shall provide at least thirty (30) days prior written notice to the Customer of any proposed change in the Service Tariff or the Rules. No amendment to the Service Tariff or the Rules shall affect the determination of rates for Electric Service to the Customer during the term of the Agreement, except insofar as otherwise authorized by this Agreement. This provision shall not limit the Authority's discretion to determine rates applicable to allocations of power and energy awarded to the Customer beyond or in addition to the Allocation.

3. No provision of this Agreement, Service Tariff No. HLF-1, or the Rules, or any other action by the Authority, shall be construed as a promise, warranty, or any representation of any nature whatsoever, express or implied, by the Authority, that:

    a. the provision of Electric Service under this Agreement will result in the Customer at any time during the term of the Allocation paying less for Electric Service than it would otherwise pay had it procured electric service from another source for the load served under this Agreement;

    b. the Customer will receive an economic, reliability, or other benefit that is not expressly stated in this Agreement or the Service Tariff; or

    c. the Customer is eligible to receive, and/or will receive, a discount, exemption, dispensation, credit, or other form of benefit (collectively, "Exemption") related to the delivery or transmission of the Allocation, or that any such Exemption, to the extent it is applicable as of the Effective Date, will continue to apply at any time throughout the term of the Allocation.

4. In addition to all other fees, assessments and charges provided for in the Agreement, Service Tariff No. HLF-1 and the Rules, the Customer shall be subject to the Monthly Clean Energy Implementation Charge provided in Schedule D.

ARTICLE IV
BILLING; BILLING METHODOLOGY

1. The billing methodology for the Allocation shall be determined on a "load factor sharing" basis in a manner consistent with the Utility Tariff and any agreement between the Authority and the Customer's Local Electric Utility. An alternative basis for billing may be used provided the Parties agree in writing and the Local Electric Utility provides its consent, if such consent is deemed necessary.

2. Except as otherwise provided in this Agreement, all other provisions with respect to billing are set forth in the Service Tariff and the Rules.

3. The rights and remedies provided to the Authority in this Article are in addition to any and all other rights and remedies available to Authority at law or in equity.

ARTICLE V
TRANSMISSION AND DELIVERY

1. The Customer understands and acknowledges that delivery of the Allocation will be made over transmission facilities under the control of NYISO. The Authority will act as the LSE with respect to the NYISO or arrange for another entity to do so on the Authority's behalf, with respect to the Allocation. The Authority will not act as the LSE or perform any LSE functions with respect to any other power or energy required or consumed by Customer. The Customer shall be responsible to the Authority for all costs incurred by the Authority with respect to the Allocation for the services established in the NYISO Tariff, or other applicable tariff ("NYISO Charges"), as set forth in Service Tariff No. HLF-1 or any successor service tariff, regardless of whether such NYISO Charges are transmission-related.

2. The Customer shall be responsible for procuring and paying for the procurement, transmission and delivery of all Supplemental Power required by the Customer. If the Authority incurs any charges associated with the procurement, transmission, or delivery of such Supplemental Power, the Customer shall reimburse the Authority for all such charges.

3. The Customer shall be responsible for:

   a. complying with all requirements of its Local Electric Utility (including any other interconnecting utilities) that are necessary to enable the Customer to receive delivery service for the Allocation.

   b. paying its Local Electric Utility for delivery service associated with the Allocation in accordance with the Utility Tariff, and if the Authority incurs any charges associated with such delivery service, reimbursing the Authority for all such charges; and

c. obtaining any consents and agreements from any other person that are necessary for the delivery of the Allocation to the Facility, and complying with the requirements of any such person, provided that any such consents, agreements and requirements shall be subject to the Authority's approval.

4. The Customer shall be solely responsible for paying the Local Electric Utility for delivery of the Allocation in accordance with all applicable Utility Tariffs. If the Authority incurs any charges associated with such delivery, the Customer shall be responsible for reimbursing the Authority for all such charges.

5. Delivery of the Allocation shall be subject to the Utility Tariff as applicable.

ARTICLE VI
HLF POWER SUPPLEMENTAL COMMITMENTS

1. Schedule B sets forth the Customer's "HLF Power Supplemental Commitments" ("Supplemental Commitments"). The Authority's obligation to provide Electric Service under this Agreement is expressly conditioned upon the Customer's timely performance of the Supplemental Commitments described in Schedule B, as further provided in this Agreement. The Customer's Supplemental Commitments are in addition to all other commitments and obligations provided in this Agreement.

2. If Schedule B provides for the construction of a new facility or an expansion of an existing facility (collectively, "Expansion Project"), and the Customer fails to complete the Expansion Project by the date specified in Schedule B, the Authority may, in its discretion, (i) cancel the Allocation, or (ii) if it believes that the Expansion Project will be completed in a reasonable time, agree with the Customer to extend the time for completion of the Expansion Project.

3. If the Expansion Project results in a completed Facility that is only partially operational, or is materially different than the Expansion Project agreed to in Schedule B (as measured by such factors as size, capital investment expenditures, capital improvements, employment levels, estimated energy demand and/or other criteria determined by the Authority to be relevant), the Authority may, in its discretion, on its own initiative or at the Customer's request, make a permanent reduction to the Allocation and Contract Demand to an amount that the Authority determines fairly corresponds to the completed Facility.

4. The Customer shall give the Authority not less than ninety (90) days' advance written notice of the anticipated date of completion of an Expansion Project. The Authority will inspect the Expansion Project for the purpose of verifying the status of the Expansion Project and notify Customer of the results of the inspection. The Authority will thereafter commence Electric Service within a reasonable time subject to the other provisions of this Agreement based on applicable operating procedures of the Authority, Customer's Local Electric Utility and NYISO.

5. In the event of an Expansion Project being completed in multiple phases, the Authority may, in its discretion, allow commencement of part of the Allocation upon completion of any such phase, provided the Authority will be entitled to inspect the Expansion Project for the purpose of verifying the status of the completed phase of the Expansion Project. Upon such verification by the Authority of any such completed phase, the Authority, in its discretion, will determine an amount of kW that fairly corresponds to the completed phase of the Expansion Project, considering relevant criteria such as any capital expenditures, increased employment levels, and/or increased electrical demand associated with the completed phase of the Expansion Project.

6. Nothing in this Article is intended to limit the Authority's rights and remedies provided for in the other provisions of this Agreement, including without limitation the provisions in Schedule B of this Agreement.

ARTICLE VII
CONFLICTS

In the event of any inconsistency, conflict, or difference between the provisions of Service Tariff No. HLF-1 and the Rules, the provisions of Service Tariff No. HLF-1 will govern. In the event of any inconsistency, conflict or difference between the Service Tariff No. HLF-1 or the Rules and any provisions of this Agreement, the provisions of this Agreement will govern.

ARTICLE VIII
ADDITIONAL ALLOCATIONS

Upon proper application by the Customer, the Authority may, in accordance with applicable law and Authority procedures, decide to award additional allocations of HLF Power to the Customer at such rates and on such terms and conditions as the Authority establishes. If the Customer agrees to purchase Electric Service associated with any such additional allocations, the Authority may, in its sole discretion: (a) modify Schedule A to this Agreement or issue a supplemental Schedule A to reflect any additional allocations, and issue a modified Schedule B if the Authority determines such action to be appropriate; or (b) offer the Customer a separate contract with the Authority for the purchase of any additional allocations.

ARTICLE IX
ENERGY SERVICES

The Authority may periodically communicate with the Customer for the purpose of informing the Customer about energy-related projects, programs and services ("Energy Services") offered by the Authority that, in the Authority's view, could provide value to the Customer and/or provide other benefits, such as support the State's Clean Energy Standard. The Customer agrees to consider all such Authority communications in good faith, provided, however, that, except as otherwise provided for in this Agreement, participation in any such Energy Services shall be at the Customer's option, and subject to such terms and conditions agreed to by the Parties in one or more definitive agreements.

ARTICLE X
NOTICES

1. Notices, consents, authorizations, approvals, instructions, waivers or other communications provided in this Agreement shall be in writing and transmitted to the Parties as follows:

To Authority:

Manager, Business Power Allocations & Compliance
New York Power Authority
123 Main Street
White Plains, New York 10601
Telephone: (914) 681-6200
Facsimile: (914) 390-8156
Electronic mail: ContractDocs@nypa.gov

To Customer:

Name:

Title:

Company:

Address:

Telephone:

Facsimile:

Electronic mail:

2. Except where otherwise herein specifically provided, any notice, communication or request required or authorized by this Agreement by either Party to the other shall be deemed properly given: (a) if sent by U.S. First Class mail addressed to the Party at the address set forth above; (b) if sent by a nationally recognized overnight delivery service, two (2) calendar days after being deposited for delivery to the appropriate address set forth above; (c) if delivered by hand, with written confirmation of receipt; (d) if sent by facsimile to the appropriate fax number as set forth above, with written confirmation of receipt; (e) if sent by electronic mail to the appropriate address as set forth above, with written confirmation of receipt; or (f) if sent by electronic file or data transfer to the appropriate address as set forth above, with written confirmation of receipt. Either Party may change the addressee and/or address for correspondence sent to it by giving written notice in accordance with the foregoing.

ARTICLE XI
SUCCESSORS AND ASSIGNS; TRANSFERS; RESALE

1. This Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the legal successors and assigns of either Party hereto, provided that no assignment by either Party or any successor or assignee of such Party of its rights and obligations hereunder shall be made or become effective without the prior written consent of the other Party.

2. The Customer may not transfer any portion of the Allocation, or any right or contract associated with the Allocation, to any other person, or to a location different than the Facility, unless: (a) the Authority, in its discretion, agrees in writing to the transfer; and (b) all other requirements applicable to a transfer, including board approvals, are satisfied. In addition, the Authority may require such approvals, and such consents and other agreements from the Customer and other parties, as the Authority determines are necessary in order to effectuate any such assignment. Any purported transfer that does not comply with the foregoing requirements shall be invalid and constitute grounds for the Authority, in its sole discretion, to suspend Electric Service, or and terminate the Allocation and/or this Agreement.

3. The Customer may not sell any portion of the Allocation to any other person. Any purported sale shall be invalid and constitute grounds for the Authority, in its sole discretion, to suspend Electric Service or terminate the Allocation and/or this Agreement.

ARTICLE XII
EFFECTIVENESS; TERMINATION; EFFECT

1. This Agreement shall become effective and legally binding on the Parties on the Effective Date.

2. Electric Service under this Agreement shall continue until the earliest of: (a) termination by the Customer with respect to all of the Allocation upon at least ninety (90) days prior written notice to the Authority; (b) termination by Authority in accordance with this Agreement, Service Tariff No. HLF-1 and/or the Rules; or (c) expiration of the term of the Allocation. Notwithstanding termination of the Agreement or expiration of the term of the Allocation, each Party's rights and obligations to render invoices, and make and receive payments for deliveries and performance rendered prior to termination, and with respect to audit, reporting, review, adjustments and disputes, shall remain in effect until fully discharged.

3. The Customer may exercise a partial termination of the Allocation upon at least ninety (90) days prior written notice to the Authority. Unless otherwise agreed to by the Parties in writing, the termination shall be effective commencing with the first Billing Period following the required ninety-day prior written notice period. In the event of a partial termination, the Authority will furnish the Customer with a revised Schedule A, which reflects the revised Allocation and a revised Schedule B, to the extent the Authority deems it appropriate.

4. The Authority may cancel service under this Agreement or modify the quantities of Firm Market Power and Firm Market Energy associated with the Allocation: (a) if such cancellation or modification is required to comply with any final ruling, order or decision of any regulatory or judicial body of competent jurisdiction (including any licensing or re-licensing order or orders of the FERC or its successor agency); or (b) as otherwise provided in this Agreement, Service Tariff No. HLF-1 or the Rules.

ARTICLE XIII
MISCELLANEOUS

1. Choice of Law

Any claim, suit, action or any other proceeding in law or equity arising under, or in any way relating to, this Agreement shall be governed by and construed in accordance with the laws of the State of New York.

2. Venue

Each Party consents to the exclusive jurisdiction and venue of any state court within or for Albany County, New York, with subject matter jurisdiction for adjudication of any claim, suit, action or any other proceeding in law or equity arising under, or in any way relating to, this Agreement.

3. Previous Agreements, Communications and Representations Amendment; and Interpretation

This Agreement shall constitute the sole and complete agreement of the Parties hereto with respect to the sale of the Allocation and the other subject matter of this Agreement, and supersedes all previous communications between the Parties hereto, either oral or written, including price estimates, with reference to the sale of the Allocation, provided, however, that the Customer shall remain liable to the Authority for all duties, liabilities, charges and obligations due in accordance with any prior agreement. No modification of this Agreement shall be binding upon the Parties hereto or either of them unless such modification is in writing and signed by a duly authorized officer of each of them. No provision shall be construed against a Party on the basis that such Party drafted such provision.

4. Waiver

Any waiver at any time by either the Authority or the Customer of their rights with respect to a default or of any other matter arising out of this Agreement shall not be deemed to be a waiver with respect to any other default or matter. No waiver by either Party of any rights with respect to any matter arising in connection with this Agreement shall be effective unless made in writing and signed by the Party making the waiver.

5. Severability and Voidability

If any term or provision of this Agreement shall be invalidated, declared unlawful or ineffective in whole or in part by an order of an administrative agency or court of competent jurisdiction, such order shall not invalidate the remaining terms or provisions hereof. Notwithstanding the preceding sentence, if any provision of this Agreement is rendered void, unenforceable or otherwise modified by a court or agency of competent jurisdiction, the entire Agreement shall, at the option of either Party and only in such circumstances in which such Party's interests are materially and adversely impacted by any such action, be rendered void and unenforceable by such affected Party.

ARTICLE XIV
EXECUTION

To facilitate execution, this Agreement may be executed in as many counterparts as may be required, and it shall not be necessary that the signatures of, or on behalf of, each Party, or that the signatures of all persons required to bind any Party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each Party, or that the signatures of the Persons required to bind any Party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than the counterparts containing the respective signatures of, or on behalf of, all the Parties hereto. The delivery of an executed counterpart of this Agreement by facsimile, email as a PDF file or other acceptable file format that appropriately captures the signature, or electronic signature, and shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement.

[SIGNATURES FOLLOW ON NEXT PAGE]

AGREED:

EMPIRE AI CONSORTIUM, INC.

By:

Title: _____

Date: _____

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: Maribel Cruz-Brown

Title: Senior Vice President, Customer Solutions

Date: _____

SCHEDULE A
HIGH LOAD FACTOR POWER ALLOCATION(S)

Customer: Empire AI Consortium, Inc.				
Type of Allocation	**Allocation Amount (kW)**	**Facility and Address**	**Trustee Approval Date**	**Allocation Expiration Date**
HLF	15,000 kW	75 Service Center Road Amherst, NY 14260	July 29, 2025	Ten (10) years from the date of commencement of Electric Service

SCHEDULE B

HLF POWER SUPPLEMENTAL COMMITMENTS

The provision of HLF Power to the Customer is in consideration of, among other things, the supplemental commitments made by the Customer as provided for in this Schedule B.

ARTICLE I
HLF POWER SUPPLEMENTAL COMMITMENTS

1. Employment

The Customer shall establish and maintain the employment level set forth in Appendix 1 of this Schedule B (the "Base Employment Level"). Unless otherwise provided for in Schedule B, such Base Employment Level shall be the total number of full-time positions held by: (a) individuals employed by the Customer at the Facility identified in Appendix 1 of this Schedule B; and (b) individuals who are contractors or are employed by contractors of the Customer and who are assigned to such Facility (collectively, "Base Level Employees"). The number of Base Level Employees shall not include individuals employed on a part-time basis (less than 35 hours per week); provided, however, that two individuals, each working at least 20 hours but not more than 35 hours per week shall be counted as one Base Level Employee.

The Customer shall not establish or maintain the Base Employment Level by transfers of employees from previously held positions with the Customer or its affiliates located within New York State, except that the Base Employment Level may be filled by employees of the Customer laid off from other Customer facilities for bona fide economic or management reasons.

The Authority may consider a request to change the Base Employment Level based on a claim of increased productivity, increased efficiency, or adoption of new technologies or for other appropriate reasons as determined by the Authority. The Authority shall have the sole discretion to make any such change.

2. Capital Investment

The Customer shall make the scheduled capital investments provided in Appendix 2 to Schedule B.

3. Power Utilization

For each month the Authority provides Electric Service to the Customer, the Customer shall utilize the entire Allocation, as represented by the Contract Demand, provided, however, that if only part of the Allocation is being utilized in accordance with Schedule C, the Customer shall utilize such part of the Allocation.

4. Energy Efficiency and Conservation Program

The Customer shall implement an energy efficiency and conservation program at the Facility through either: (a) enrollment of the Facility and participation in NYEM in accordance with a NYEM Agreement; or (b) a Physical Energy Audit of the Facility. Either option shall be at the Customer's own expense.

After the Effective Date, the Authority will transmit to the Customer a NYEM Agreement and an election form. The Customer shall elect to either: (a) enroll the Facility and participate in NYEM for a three-year term in accordance with the NYEM Agreement ("NYEM Participation"); or (b) perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority's communication.

If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate specified in the NYEM Agreement.

If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit at least once during the term of the Allocation, but in any event not less than once every five years. The Authority may in its discretion waive the requirement for a Physical Energy Audit, or may agree to a limited physical energy audit of the Facility, where the Authority determines that the Physical Energy Audit is unnecessary based on the age of the Facility, energy efficiency and conservation improvements made at the Facility, the length of the Allocation, or other considerations the Authority determines to be relevant.

Unless otherwise agreed to by the Authority in writing, energy efficiency audits and virtual energy audits (including via NYEM Participation) that have been performed at the Facility prior to the Effective Date do not satisfy the requirements for an energy efficiency and conservation program under this Section I.4.

ARTICLE II
RECORDKEEPING, REPORTING AND FACILITY ACCESS

1. Employment

A record shall be kept monthly by the Customer, and provided on an annual basis for the period July 1 through June 30 (the "Reporting Period") to the Authority, of the total number of Base Level Employees who are employed at or assigned to the Customer's Facility identified in Appendix 1 of this Schedule B, as reported to the United States Department of Labor (or as reported in such other record as agreed upon by the Authority and the Customer). Such report shall specify the number of individuals who are employed by the Customer, who are contractors, and who are employed by contractors of the Customer, and shall be certified to be correct by an officer of the Customer, plant manager or such other person authorized by the Customer to prepare and file such report and shall be provided to the Authority on or before the last day of August immediately following the preceding Reporting Period.

2. Capital Investments

The Customer shall comply with the recordkeeping, recording and reporting requirements specified in Appendix 2 to this Schedule B.

3. Power Usage

The Customer shall keep monthly records of the maximum demand utilized each month for the Facility receiving the Allocation. The Customer shall provide copies of its Local Electric Utility bills and such other information as the Authority may request together with an explanation of such information to the Authority on an annual basis for the Reporting Period on or before the last day of August immediately following the preceding Reporting Period.

4. Energy Efficiency and Conservation Program

Upon the Authority's request, the Customer shall provide the Authority with: (a) a copy of the results of any Physical Energy Audit performed at the Facility (or, at the Authority's option, a report describing the results), performed pursuant to this Agreement; and (b) a description of any energy efficiency or conservation measures that the Customer has implemented at the Facility in connection with any Physical Energy Audit or as a result of NYEM Participation.

5. Facility Access and Information

Notwithstanding any other provision of the Agreement, the Customer shall provide the Authority with such access to the Facility, and such documentation, as the Authority deems necessary to determine the Customer's compliance with the Customer's Supplemental Commitments specified in this Schedule B, and to allow the Authority to exercise its rights and obligations under the Agreement, Service Tariff No. HLF-1 and the rules, including without limitation, the installation, repair, maintenance, calibration and replacement of Authority owned or managed infrastructure.

The Customer shall provide information requested by the Authority or its designee in surveys, questionnaires and other information requests relating to energy efficiency and energy-related projects, programs and services.

In addition to any reports or other information required by this Agreement, the Authority or its designee shall have the right to examine and audit on reasonable advance written notice to the Customer all non-confidential written and electronic records and data in order to determine the Customer's compliance with the Customer's HLF Power Supplemental Commitments.

SCHEDULE B

ARTICLE III
COMPLIANCE ACTION BY THE AUTHORITY

1. Employment Levels

If the annual monthly average number of employees is less than 90% of the Base Employment Level set forth in this Schedule B for the subject Reporting Period, the Authority may reduce the Contract Demand. The maximum amount of reduction will be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average monthly employment during the subject Reporting Period divided by the Base Employment Level. The Authority will round any such reduction to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, the Agreement shall automatically terminate.

2. Capital Investment Levels

The Authority may reduce the Contract Demand as provided in Appendix 2 to this Schedule B.

3. Power Utilization Levels

If the average of the Customer's six (6) highest monthly demand readings as measured by the Local Electric Utility's meter ("Maximum Metered Demand") is less than 90% of the Customer's Contract Demand in a Reporting Period, the Authority may reduce the Contract Demand. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average of the six (6) highest Maximum Metered Demands for such Reporting Period divided by the Contract Demand. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

In addition, for at least six (6) months during the calendar year, the Customer shall utilize a minimum electric demand of five thousand (5,000) kW and utilize energy at a load factor of at least 74 percent. The Authority shall review the Customer's compliance with these conditions with reference to the Customer's bills from its Local Electric Utility for the year and such other information as the Authority determines to be appropriate. If these conditions are not met, the Authority shall have the right to terminate this Agreement on sixty (60) days' notice to the Customer. Prior to providing notice of termination, the Authority will meet with the Customer to discuss the Customer's energy usage for the purpose of considering any additional information that the Authority in its sole discretion determines to be pertinent to the Customer's compliance, such as whether the underusage is likely to be temporary and the likelihood that the Customer will be able to comply with these conditions prospectively.

4. Additional Compliance Actions

In addition to the Authority's other rights and remedies provided in this Agreement, Service Tariff No. HLF-1 and the Rules, the Authority may suspend Electric Service to the

Customer if the Customer does not comply with any of the requirements in Section I.4 or Article II of this Schedule B.

5. Notice of Intent to Reduce Contract Demand

In the event that the Authority determines that the Contract Demand will be wholly or partially reduced pursuant to Sections III.1, III.2, or III.3 of this Schedule B, the Authority will provide the Customer with at least thirty (30) days prior written notice of such reduction, specifying the amount of the reduction of Contract Demand and the reason for the reduction. Before implementing a reduction, the Authority may consider the Customer's scheduled or unscheduled maintenance or Facility upgrading periods when such events temporarily reduce employment levels or electrical demand, as well as the business cycle.

SCHEDULE B – APPENDIX 1

BASE EMPLOYMENT LEVEL

The Customer shall employ at least 15 full-time, permanent employees ("Base Employment Level") at the Customer's Facility. The Base Employment Level shall be maintained for the term of the Allocation in accordance with Article I of Schedule B.

SCHEDULE B – APPENDIX 2

CAPITAL INVESTMENT COMMITTMENTS

1. **Annual Capital Investment Commitment** (if applicable, as specified below)

   a. The Customer agrees to make the following minimum capital investment in the Facility ("Aggregate CI Commitment") within five (5) years of the commencement of Electric Service under this Agreement:

      Aggregate CI Commitment: $ **N/A**

   b. Each year, the Customer shall record the total amount of capital investment ("Annual CI Expenditures") made by the Customer at the Facility during the Reporting Period, which shall be provided to the Authority in a form specified by the Authority on or before the last day of August following the end of the most recent Reporting Period.

   c. The Authority will calculate an aggregate amount of capital investment made by the Customer ("Aggregate CI Expenditures") at its Facility by summing the first five (5) years of Annual CI Expenditures as reported by the Customer, for the purpose of determining the Customer's compliance with its Aggregate CI Commitment. If the Customer's Aggregate CI Expenditures as determined by the Authority is less than 90% of its Aggregate CI Commitment, the Contract Demand may be reduced. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the Aggregate CI Expenditures divided by the Aggregate CI Commitment. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

2. **Expansion Project–Capital Investment Commitment** (if applicable, as specified below)

   a. The Customer shall make a minimum capital investment of $350,000,000 to construct, furnish and/or expand the Facility ("Expansion Project Capital Investment Commitment"). The Expansion Project Capital Investment Commitment is expected to consist of the following approximate expenditures on the items indicated:

i.	High-Performance Supercomputer Systems	$ 280,000,000
ii.	Data Center Construction Costs	$ 70,000,000
Total Expansion Project Capital Investment Commitment:		**$ 350,000,000**

   The Expansion Project Capital Investment Commitment shall be made, and the Facility shall be completed and fully operational, no later than July 29, 2028 (*i.e.*, within three (3) years of the date of the Authority's award of the Allocation). Upon request of the Customer, such date may be extended in the discretion of the Authority.

SCHEDULE C

TAKEDOWN SCHEDULE

SCHEDULE D

MONTHLY CLEAN ENERGY IMPLEMENTATION CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. HLF-1, or in the Rules.

"Alternative Compliance Payment" means a form of payment of money by an LSE that is authorized by the State in law, regulation, or Regulatory Order as a mechanism for an LSE to satisfy an Annual LSE Obligation.

"Annual LSE Obligation" means the annual obligation of an LSE to supply a defined percentage proportion (or other applicable measure) of its retail load with supply derived from new eligible renewable resources through compliance measures that are authorized in law, regulation, or Regulatory Order for a State Energy Standard. With reference to the Zero Emission Credit Requirement, "Annual LSE Obligation" refers to an obligation of an LSE to purchase a specified number of ZECs representing the LSE's proportional share of ZECs purchased by NYSERDA based on the load served by the LSE in relation to the total load served by all LSE's in the New York Control Area.

"CES Order" means the Order issued by the Public Service Commission, entitled "Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing the CES Order or the CES.

"Clean Energy Compliance Measures" is a collective reference to Zero Emission Credit Requirement Compliance Measures, Renewable Energy Standard Compliance Measures, Offshore Wind Energy Standard Compliance Measures, and any other compliance measures that an LSE is authorized by law, regulation or Regulatory Order to undertake in order to meet an Annual LSE Obligation.

"Clean Energy Standard" or "CES" means the Clean Energy Standard adopted by the State, as may be amended from time to time.

"Credit" means a certificate or other claim to the environmental attributes associated with energy produced by or from qualifying resources that typically represents proof that one megawatt-hour (1 MWh, or 1000 kilowatt-hours) of qualifying electricity was generated and delivered to the power grid. A Credit includes but is not limited to a ZEC, REC and OREC.

"Load Serving Entity" has the meaning provided in the CES Order and generally refers a utility or other entity that supplies load (electricity) to a consumer of electricity.

"Monthly Clean Energy Implementation Charge" means the monthly charge to the Customer established in this Schedule D.

SCHEDULE D

"NYSERDA" means the New York State Energy Research and Development Authority.

"Offshore Wind Energy Credit" or "OREC" refers to a qualifying Offshore Wind Energy Credit as authorized by the State in law, regulation, or Regulatory Order.

"Offshore Wind Energy Standard" means the Offshore Wind Energy Standard adopted by the State as may be amended from time to time.

"Offshore Wind Energy Standard Compliance Measures" means the purchase of ORECs from NYSERDA; the Authority's procurement of ORECs by Self-Supply; and any other compliance measures that an LSE is authorized by law, regulation, or Regulatory Order to undertake for the purpose of satisfying an Annual LSE Obligation for the Offshore Wind Energy Standard.

"Public Service Commission" or "PSC" means the New York State Public Service Commission.

"Regulatory Order" means an order issued by a regulatory agency or authority of the State of New York, and includes orders issued by the PSC. Regulatory Order includes, by way of example only, the CES Order and any other order of the PSC that establishes, supplements, modifies, or clarifies standards, requirements, obligations, or procedures for implementation of the State Energy Plan or a State Energy Standard, including the CES.

"Renewable Energy Credit" or "REC" refers to a qualifying renewable energy credit as authorized by the State in law, regulation, or Regulatory Order.

"Renewable Energy Standard" means the Renewable Energy Standard adopted by the State as may be amended from time to time.

"Renewable Energy Standard Compliance Measures" means the purchase of RECs from NYSERDA; the Authority's procurement of RECs by Self-Supply; Alternative Compliance Payments to NYSERDA; and any other compliance measures that an LSE is authorized by law, regulation, or Regulatory Order to undertake for the purpose of satisfying an Annual LSE Obligation for the Renewable Energy Standard.

"Self-Supplied Credit Charge" means a supplemental per-Credit charge or adder that the Authority adds to the cost of any Credit that it procures by Self-Supply for the purpose of: (1) enabling the Authority to recover administrative costs that it incurs in connection with the Self-Supply of Credits; and (2) managing risk in the cost of Credits over the term of any contract that serves as a source of Credits for Self-Supply, including but not limited to mitigating the extent of fluctuations in the cost of Credits that the Authority procures through Self-Supply.

"Self-Supplied Credit Cost" means the annual average per-Credit cost (including any applicable Self-Supplied Credit Charge) that the Authority establishes pursuant to Section II.3.b of this Schedule D for any Credit that it procures by Self-Supply for the purpose of complying with any Annual LSE Obligation applicable to a State Energy Standard.

"Self-Supply" means the Authority's procurement of Credits from a source other than NYSERDA.

"State" means the State of New York.

"State Energy Plan" means the 2015 New York State Energy Plan as amended from time to time.

"State Energy Standard" refers to any standard or requirement that is adopted by the State in law, regulation, or Regulatory Order for the purpose of implementing State energy and environmental goals or policies, including goals and policies set forth in the State Energy Plan, that applies to the Authority, or with which the Authority determines it will comply in implementing its business and/or power supply programs. For purposes of this Agreement, State Energy Standard includes the Clean Energy Standard, Renewable Energy Standard, Zero Emission Credit Requirement, Offshore Wind Energy Standard, and any other standard or requirement adopted by the State in law, regulation, or Regulatory Order that applies to the Authority, or with which the Authority determines it will comply, in implementing its business and/or power supply programs.

"Total Monthly HLF Load" has the meaning provided in Section II.3.c of this Schedule D.

"Total Monthly CE Compliance Costs" has the meaning provided in Section II.3.c of this Schedule D.

"Zero Emission Credit" or "ZEC" refers to a Zero Emission Credit as authorized by the State in law, regulation, or Regulatory Order.

"Zero Emission Credit Requirement Compliance Measures" means the purchase of ZECs from NYSERDA; and any other compliance measures that an LSE is authorized by law, regulation, or Regulatory Order to undertake for the purpose of satisfying an Annual LSE Obligation for the Zero Emission Credit Requirement.

"Zero Emission Credit Requirement" means the Zero Emission Credit Requirement adopted by the State as may be amended from time to time.

II. MONTHLY CLEAN ENERGY IMPLEMENTATION CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. HLF-1 or the Rules, the Customer shall be subject to a Monthly Clean Energy Implementation Charge as provided in this Schedule D. The Monthly Clean Energy Implementation Charge is in addition to all other charges, fees and assessments provided in the Agreement, Service Tariff No. HLF-1 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the Monthly Clean Energy Implementation Charge.

2. The Monthly Clean Energy Implementation Charge is part of a compliance program ("Compliance Program") that the Authority has adopted for the purpose of administering the HLF Power program in a manner that is consistent with the State Energy Plan, the CES, and other applicable State Energy Standards. Pursuant to the Compliance Program, the Authority will support the preservation of at risk nuclear zero emission attributes, and support the development of renewable energy resources to serve its HLF Power program customers, through the implementation of various Clean Energy Compliance Measures that the Authority in its discretion determines are appropriate to enable the Authority to meet Annual LSE Obligations that have been established for each State Energy Standard that applies to the Authority, or with which the Authority determines it will comply in implementing its business and/or power supply programs. The purpose of the Monthly Clean Energy Implementation Charge is to enable the Authority to recover costs and other charges as described herein that the Authority incurs for implementing Clean Energy Compliance Measures.

3. The Monthly Clean Energy Implementation Charge will be determined and assessed as follows:

   a. The Authority will, each calendar year, implement such Clean Energy Compliance Measures as the Authority determines in its discretion to be appropriate to meet the Annual LSE Obligation established for each State Energy Standard with respect to the load that the Authority serves under the HLF Power program, including the Renewable Energy Standard, Zero Emission Credit Requirement and Offshore Wind Energy Standard. The specific Clean Energy Compliance Measures that the Authority determines to use, and the amount or extent of each Clean Energy Compliance Measure taken in any calendar year to meet each Annual LSE Obligation shall be within the Authority's sole discretion.

   b. The Authority will, for each calendar year, establish a Self-Supplied Credit Cost for any Credits that it procures through Self-Supply that it will use to meet the applicable Annual LSE Obligation for each State Energy Standard for the calendar year. The Authority may, in its discretion, for any quarter in any calendar year, revise any such Self-Supplied Credit Cost established pursuant to this Section II.3.b for the purpose of addressing unanticipated circumstances that impact or that the Authority reasonably believes could impact the Authority's costs and risk exposure regarding Self-Supply. Any Self-Supplied Credit Cost so revised shall apply prospectively.

   c. The Authority will, for each month of each calendar year in which it incurs costs for Clean Energy Compliance Measures, calculate the total costs that the Authority has incurred or estimates that it will incur for implementing the Clean Energy Compliance Measures ("Total Monthly CE Compliance Costs") for the purpose of meeting each Annual LSE Obligation for the total HLF Power kilowatt-hour load for such month ("Total Monthly HLF Load"). The Authority may calculate Total Monthly CE Compliance Costs since forecasts of the Total Monthly HLF Load that the Authority expects to serve for the month, or on a lagged basis based on the actual Total Monthly HLF Load that the Authority served for the month.

d. Each month, the Authority will calculate a Monthly Clean Energy Implementation Charge applicable to the Customer. The Monthly Clean Energy Implementation Charge will represent the Customer's share of the Total Monthly CE Compliance Costs assigned to the Total Monthly HLF Load assessed as the proportion of the Customer's total kilowatt-hour load served by the Authority for such month to the Total Monthly HLF Load served by the Authority for such month.

4. The Authority may, in its discretion, include the Monthly Clean Energy Implementation Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the Monthly Clean Energy Implementation Charge pursuant to another Authority-established procedure. In any case, the bill will indicate the amount of the Monthly Clean Energy Implementation Charge that is attributable to compliance with each Annual LSE Obligation.

5. The Authority will, at the conclusion of each calendar year in which it assesses a Monthly Clean Energy Implementation Charge, conduct a reconciliation process based on the actual costs it incurred for Clean Energy Compliance Measures taken (other than Credits procured through Self-Supply), and the actual load served for the year, compared with cost or load estimates or forecasts, if any, that the Authority used to calculate the Monthly Clean Energy Implementation Charge during the year. The Authority will issue a credit, or an adjusted final charge for the year, as appropriate, based on the results of such reconciliation process. Any such final charge shall be payable within the time frame applicable to the Authority's bills for Electric Service under this Agreement or as provided for in any other procedure established by the Authority pursuant to Section II.4 of this Schedule D.

6. Notwithstanding the provisions of Section II.3 of this Schedule D, if Electric Service for the Allocation is commenced after the Authority has implemented Clean Energy Compliance Measures for the year in which such Electric Service for the Customer is commenced, and as a result the Customer's load cannot be accounted for in such Clean Energy Compliance Measures, the Authority may in its discretion implement one or more separate Clean Energy Compliance Measures with respect to the Customer's load for the calendar year in order to meet the Annual LSE Obligation for Customer's load for the year, and bill the Customer for the costs associated with such separate Clean Energy Compliance Measures.

7. Nothing in this Schedule D shall limit or otherwise affect the Authority's right to charge or collect from the Customer, any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. HLF-1 or the Rules.

III. ALTERNATIVE CES COMPLIANCE PROGRAM

Nothing in this Schedule D shall be construed as preventing the Parties from entering into other agreements for alternative arrangements to enable the Authority to meet any Annual LSE Obligation with respect to the Customer's allocation, including alternative

compliance programs and cost allocation mechanisms, in lieu of the Monthly Clean Energy Implementation Charge established in this Schedule D.

POWER AUTHORITY OF THE STATE OF NEW YORK

30 SOUTH PEARL STREET

ALBANY, NY 12207

Schedule of Rates for the Sale of High Load Factor Power

Service Tariff No. HLF-1

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Schedule of Rates for Sale of High Load Factor Power

I. Applicability

To direct sales of High Load Factor Power to a Customer that is an Eligible Entity for firm Electric Service.

II. Frequently Used Abbreviations and Terms

- kW kilowatt(s)
- kWh kilowatt-hour(s)
- NYISO New York Independent System Operator, Inc. or any successor organization
- OATT Open Access Transmission Tariff
- PAL New York Public Authorities Law
- UCAP Unforced Capacity

Agreement: The contract between the Customer and the Authority setting forth the terms and conditions relating to the sale of High Load Factor Power to the Customer to which this Service Tariff relates.

Allocation: The amount of High Load Factor Power allocated to the Customer by the Authority.

Authority or **NYPA**: The Power Authority of the State of New York, also known as the "New York Power Authority."

Billing Period: Any period of approximately thirty (30) days, generally ending with the last day of each calendar month, but subject to the billing cycle requirements of the Local Electric Utility in whose service territory the Customer's Facility is located.

Contract Demand: The amount of High Load Factor Power, not to exceed the Allocation, which the Customer agrees to take and pay for in accordance with the Agreement.

Customer: The Authority's co-party to the Agreement.

Electric Service: Firm Market Power and Firm Market Energy associated with the Allocation and sold to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

Eligible Entity: This term has the meaning provided in the Agreement.

Facility: The Customer's place of business specified in the Agreement that will receive or is receiving the Allocation.

Firm Market Energy: Firm energy (kWh) associated with Firm Market Power that is sourced from the NYISO Day-Ahead Market, the NYISO Real-Time Market, and/or any other third-party source the Authority in its sole discretion deems appropriate that is supplied by the Authority to the Customer.

Firm Market Power: Firm capacity (kW) that is sourced from the NYISO and/or any other source the Authority in its sole discretion deems appropriate that is supplied by the Authority to the Customer.

High Load Factor Power or **HLF Power:** High Load Factor power and energy the Authority is authorized to allocate and sell under PAL § 1005, which consists of Firm Market Power and associated Firm Market Energy.

Load Serving Entity: This term has the meaning provided in the Agreement.

Local Electric Utility: This term has the meaning provided in the Agreement.

Locational Based Marginal Price: This term has the meaning provided in the NYISO Tariffs.

Market Capacity Charge: This term has the meaning provided in Section III.A.1 of this Service Tariff.

Market Energy Charge: This term has the meaning provided in Section III.A.2 of this Service Tariff.

New Charges: This term has the meaning provided in Section III.B.6 of this Service Tariff.

NYISO: The New York Independent System Operator, Inc. or any successor entity.

NYISO Charges: This term has the meaning provided in Section III.B.1 of this Service Tariff.

NYISO Day-Ahead Market: This term has the meaning provided in the NYISO Tariffs.

NYISO Real-Time Market: This term has the meaning provided in the NYISO Tariffs.

NYISO Tariffs: The tariffs of the NYISO, including the NYISO OATT, as such tariffs are amended and in effect from time to time.

NYPA Administrative Charge: This term has the meaning provided in Section III.A.3 of this Service Tariff.

Rules: This term has the meaning provided in the Agreement.

Service Tariff: This service tariff, denominated as "Schedule of Rates for Sale of High Load Factor Service Tariff No. HLF-1, as amended from time to time by the Authority.

Takedown: The portion of the Allocation the Customer requests to be scheduled for a specific period as provided in the Agreement.

Taxes: This term has the meaning provided in Section III.B.2 of this Service Tariff.

Zone: Geographical regions within New York State (sometimes referred to as "load zones" or "energy regions") designated by the NYISO and identified by letter (A-K) that are used to facilitate energy transactions and administration of the State's power grid.

Additional terms are defined in the text of this Service Tariff.

Unless otherwise indicated, all other capitalized terms and abbreviations used but not defined in this Service Tariff shall have the meaning as set forth in the Agreement. If not defined herein or in the Agreement, any such capitalized terms and abbreviations shall have the meaning ascribed to them in the NYISO Tariffs, if any, unless the context requires otherwise.

III. Monthly Rates and Related Charges

A. Monthly Rates and Charges

Subject to the other provisions of this Service Tariff and the Agreement, the monthly rates and charges to be charged to the Customer by the Authority will be set as follows:

1. Market Capacity Charge

Monthly rates to be charged to the Customer for Firm Market Power ("Market Capacity Charge") will be based on the following:

a. The amount of capacity (kW) the Authority needs to secure on the Customer's behalf as required by the NYISO's rules. This is currently expressed by the NYISO as the Unforced Capacity or UCAP obligation. The UCAP obligation is inclusive of any locational requirements and adjustments for reserves needed to meet the installed reserve margin, not to exceed the Contract Demand.

b. The market capacity rate based on the actual monthly capacity price paid by the Authority in securing the NYISO UCAP obligation for the capacity (kW) or any other market capacity rate determined to be the most applicable by the Authority in its sole discretion.

c. The market capacity rate multiplied by the monthly capacity (kW) quantity will yield the applicable Market Capacity Charge.

2. Market Energy Charge

Monthly rates to be charged to the Customer for Firm Market Energy ("Monthly Energy Charge") will be based on the actual costs incurred by the Authority in each Billing Period, as described below:

a. The Customer shall be responsible for payment of any and all market energy charges incurred by the Authority for procuring Firm Market Energy on the Customer's behalf ("Market Energy Charge"). Such Market Energy Charge may include, but are not limited to, forward energy purchases (i.e. NYISO Day-Ahead Market purchases), balancing energy transactions (i.e. NYISO Real-Time Market transactions), and any third-party costs.

b. The total number of kilowatt-hours recorded on the Customer's meter for the Billing Period allocated by the Customer's Local Electric Utility for delivery of Firm Market Power and reported to the Authority will be used to pro-rate or determine each Customer's portion of the monthly Market Energy Charges. The Authority will report these kilowatt-hours on the Customer's bill.

c. If there is firm energy other than Firm Market Energy being billed to the Customer, the Authority will determine the apportionment of the kilowatt-hours on a case by

case basis. Generally, the total number of kilowatt-hours recorded on the meter shall be multiplied by a percentage based on (i) the methodology provided for in any agreement between the Authority and the Customer's Local Electric Utility for delivery of Firm Market Energy and/or (ii) the methodology provided for in Section III.C of this Service Tariff.

d. Financial hedging instruments may be used for the purposes of mitigating the risk in energy price movements. The Authority will pass-through to the Customer the costs of any financial products used to hedge energy purchases.

3. NYPA Administrative Charge

a. The Customer shall be responsible for payment of a "NYPA Administrative Charge." Subject to Section III.3.b, the NYPA Administrative Charge will be based on the following:

i. The amount of the highest interval integrated demand (kW) during each Billing Period recorded on the Customer's meter multiplied by a percentage based on the value reported to the Authority by the Customer's Local Electric Utility for delivery of Firm Market Power. Demand (kW) may not exceed the amount of the Contract Demand.

ii. Monthly NYPA Administrative rate set by the Authority each Rate Year based on any associated overhead and other assigned costs as determined appropriate by the Authority.

iii. The NYPA Administrative rate multiplied by the demand (kW) allocated to the Customer will yield the applicable NYPA Administrative Charge.

b. If in any given month Customer's monthly demand (kW) is less than 75 percent of its Contract Demand (kW), the NYPA Administrative Charge shall be equal to 75 percent of the Customer's Contract Demand (kW) for that month, times the applicable NYPA Administrative rate.

B. Other Charges

The Customer shall be responsible for payment of such other charges (collectively, "Other Charges") as a separate charge from the Monthly Rates and Related Charges provided in Section III.A to the extent such Other Charges apply to such Customer.

1. NYISO Transmission Related Charges ("NYISO Charges")

NYISO Charges for services associated with the Authority's responsibilities as Load Serving Entity for the Customer, as provided by the NYISO in NYISO Tariffs, NYISO-related agreements and NYISO procedures associated with the Authority's provision of Electric Service to the Customer. NYISO Charges to be charged to the Customer by the Authority include, by way of example:

a. Charges for all Ancillary Services, Schedules 1 through 6 and any new ancillary services as provided in accordance with NYISO Tariffs;

b. Transmission Usage Charges or "TUC" which are Marginal Losses and Congestion costs, to the extent applicable;

c. The New York Power Authority "Transmission Adjustment Charge" or "NTAC";

d. Congestion costs, less any associated grandfathered Transmission Congestion Contracts ("TCCs") as provided in Attachment K of the OATT;

e. NYISO wide uplift as provided for in the NYISO Tariffs;

f. Any and all other charges, assessments, or other amounts associated with delivery of Firm Market Power and Firm Market Energy sold to the Customer by the Authority, or otherwise associated with the Authority's responsibilities as a Load Serving Entity for the Customer, that the NYISO assesses on the Authority under the provisions of the OATT or under other applicable NYISO Tariffs; and

g. Any charges assessed on the Authority with respect to the provision of Electric Service to the Customer for facilities needed to maintain reliability and incurred in connection with the NYISO's Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another third party.

For avoidance of doubt, if any NYISO Charges described above are incurred by the Authority for any reason with respect to Electric Service to the Customer when the Authority is not serving as the Load Serving Entity for any of the power or energy that is sold to the Customer under this Service Tariff and the Agreement, the Customer shall reimburse the Authority for all such NYISO Charges.

2. Taxes

The Authority will charge and collect from the Customer all local, state and federal taxes, assessments or other charges mandated by local, state or federal agencies or authorities that are levied on the Authority or that the Authority is required to collect from the Customer, including any applicable "in lieu of" payments (collectively, "Taxes") if and to the extent such Taxes are not recovered by the Authority pursuant to another provision of this Service Tariff.

3. Market Transaction Charges

The Authority will pass through to the Customer any costs incurred from procuring any capacity and energy described in Sections III.A.1 and III.A.2 of this Service Tariff.

4. Transmission, Wheeling and Delivery Charges

Generally, transmission, wheeling and delivery charges are billed directly to the Customer by the Local Electric Utility. If the Authority incurs any charges for transmission, wheeling and delivery, the Customer shall reimburse the Authority for all such charges. In addition, if there are any charges for transmission, wheeling and delivery, charges are made applicable to the Customer under other Authority's tariffs and contracts, they will be charged to the Customer by the Authority as provided for in such tariffs and contracts.

5. Local Electric Utility Charges

The Customer shall reimburse the Authority for all charges, assessments, fees and other amounts, if any, the Local Electric Utility imposes on the Authority in any way related to the provision of data and other information the Authority requires from the Local Electric Utility in connection with providing Electric Service to the Customer.

6. New Charges

The Customer shall be responsible for payment of any and all new costs or charges incurred by the Authority in connection with its provision of Electric Service to the Customer, including but not limited to, charges and costs incurred for supplying Firm Market Power or Firm Market Energy, and any new NYISO Charges as may be defined and applied in any NYISO Tariffs, NYISO-related agreements and NYISO procedures from time to time (collectively, "New Charges"). The Authority, in its sole discretion, may include any such New Charges in the monthly rates or the NYPA Administrative rate, or bill the Customer separately for such New Charges.

7. Monthly Clean Energy Implementation Charge

The Customer shall be subject to the Monthly Clean Energy Implementation Charge provided in the Agreement.

8. Maintenance and Related Costs

Unless the Authority and the Customer agree otherwise in writing, the Authority shall have the right to charge and collect from the Customer all expenses the Authority incurs for the installation, repair, maintenance, calibration and replacement of Authority owned or managed infrastructure (e.g., meters, instruments, transformers, communication-related apparatus, wires, hardware) which the Authority determines in its sole discretion is necessary to provide safe and reliable Electric Service to the Facility.

C. Estimated Billing

If the Authority, in its sole discretion, determines that it lacks reliable data on the Customer's actual demand/UCAP requirements and/or energy usage for a Billing Period during which the Customer receives Electric Service from the Authority, the Authority shall have the right to render a bill to the Customer for such Billing Period based on an estimate by the Authority of the Customer's demand and energy usage ("Estimated Bill").

For the purpose of calculating demand (kW), where applicable, for an Estimated Bill, the demand (kW) will be calculated based on an average of the Customer's used and reported demand (kW) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated demand (kW) value for the Estimated Bill will equal the Customer's Contract Demand (kW) amount.

For the purpose of calculating energy (kWh), where applicable, for an Estimated Bill, the energy (kWh) will be calculated based on an average of the Customer's used and reported energy (kWh) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated energy value (kWh) will be equal to the Contract Demand (kW) amount at 74 percent load factor for that Billing Period.

For the purpose of calculating UCAP (kW), where applicable, for an Estimated Bill, the UCAP (kW) will be calculated based on an average of the Customer's UCAP (kW) requirement values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated UCAP (kW) value for the Estimated Bill will equal the Customer's Contract Demand (kW) amount.

If data indicating the Customer's actual demand and usage for any Billing Period in which an Estimated Bill was rendered is subsequently provided to the Authority, the Authority will make necessary adjustments to the corresponding Estimated Bill in accordance with Section III.D of this Service Tariff and, as appropriate, render a revised bill (or provide a credit) to the Customer.

The provisions of Section IV.E of this Service Tariff shall also apply to Estimated Bills. The Authority's discretion to render Estimated Bills is not intended to limit the Authority's rights under the Agreement, this Service Tariff or the Rules.

D. Adjustments to Charges

In addition to any other adjustments provided for in this Service Tariff, in any Billing Period, the Authority may make appropriate adjustments to billings and charges to address such matters as billing and payment errors, the receipt of actual, additional, or corrected data concerning Customer meter data and NYISO rebills, including adjustments to the Market Capacity Charge and the Market Energy Charge in accordance with NYISO policies.

IV. General Provisions

A. Scheduling of Firm Market Energy and Firm Market Power

In each Billing Period the Authority shall, in accordance with the NYISO Tariffs, NYISO manuals and NYISO procedures, schedule and provide to the Customer Firm Market Energy associated with Firm Market Power in a monthly amount equal to the product of: (1) Contract Demand; (2) the number of hours in the Billing Period; and (3) estimated load factor, inclusive of all applicable losses and unaccounted for energy, prorated on and extrapolated to an hourly basis, for NYISO Scheduling, unless a different process is required by the Local Electric Utility or the NYISO. Such Firm Market Energy shall be scheduled to the load bus established by the NYISO for the Facility or any successor load bus established with or by the NYISO for LSE scheduling functions.

With respect to each month in which the Authority provides Electric Service to the Customer, the Authority shall, in accordance with the NYISO Tariffs, NYISO manuals and NYISO procedures, schedule and provide UCAP in an amount equal to the applicable value calculated in accordance with NYISO rules in an amount not to exceed the Contract Demand.

The Customer shall cooperate and coordinate with the Authority as necessary to enable the Authority to effectuate the required scheduling and provision of Firm Market Energy and Firm Market Power as required by this Service Tariff and the Agreement. This includes an obligation on the part of the Customer to promptly notify the Authority in advance of any changes in the Customer's load, or the manner in which Authority-supplied power is consumed, that could impact NYISO forecasting and scheduling.

B. Reconciliation of Energy Allocations

Where Firm Market Energy is delivered under this Service Tariff in conjunction with other firm energy, including but not limited to other firm energy allocations associated with another Authority program/product, the amounts supplied by the Authority hereunder shall be reconciled in accordance with the practices of the Local Electric Utility. In the event of multiple NYPA program allocations to the Facility, the order of precedence will be consistent with the procedures established in any agreements between the Authority with the Local Electric Utility, or as other agreed to by the Authority and the Local Electric Utility.

C. Reconciliation of Authority Billing with NYISO Invoices

In any Billing Period in which the Customer's energy usage as reported by the NYISO in its versioned invoices to the Authority reflects a difference from the energy usage reflected in Authority invoices to the Customer, the Authority will adjust its invoices to reflect such difference. The Authority may perform such reconciliations for each Billing Period through the time NYISO issues its final LSE invoice to the Authority.

D. Delivery of Firm Market Power

The Customer's Local Electric Utility shall be responsible for delivering Firm Market Power and Firm Market Power to the Customer. The Authority shall have no responsibility for delivering any Firm Market Power or Firm Market Energy to the Customer unless the Authority agrees to do so in writing, and such agreement expressly supersedes this provision.

For the purpose of this Service Tariff, Firm Market Power and Firm Market Energy will be deemed to be offered when the Authority is able to supply Firm Market Power and Firm Market Energy to the Authority's designated NYISO load bus. If despite such offer, there is a failure of delivery caused by the Customer, NYISO or Local Electric Utility, such failure will not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules.

E. Rendition and Payment of Bills

The Authority will render bills to the Customer for Electric Service relating to the Allocation on or before the fifteenth (15^{th}) business day of the month for charges due for the previous Billing Period. Bills will reflect the amounts due and owing in accordance with the Agreement, this Service Tariff and the Rules, and are subject to adjustment as provided for in the Agreement, this Service Tariff and the Rules. As provided in this Service Tariff, bills will include NYISO Charges and Taxes associated with the Allocation and all other applicable charges, fees and assessments provided for in the Agreement, this Service Tariff and the Rules. NYISO Charges shall be subject to adjustment consistent with any subsequent NYISO billings to the Authority in accordance with this Service Tariff.

Unless otherwise agreed to by the Authority and the Customer in writing, the Authority shall render bills to the Customer electronically.

Bills are due and payable by the Customer within twenty (20) days of the date on which the Authority renders the bill. Unless otherwise agreed to by the Authority in writing, bills are due and payable by electronic wire transfer in accordance with the Rules. Such wire transfer shall be made to J P Morgan Chase NY, NY / ABA021000021 / NYPA A/C # 008-030383, unless otherwise indicated in writing by the Authority.

The Authority and the Customer may agree in writing to an alternative method for the rendering of bills and for the payment of bills, including but not limited to the use of an Authority-established customer self-service web portal.

The Authority will charge and collect from the Customer all Taxes that the Authority determines are applicable, unless the Customer furnishes the Authority with proof satisfactory to the Authority that (1) the Customer is exempt from the payment of any such Taxes, and/or (2) the Authority is not obligated to collect such Taxes from the Customer. If the Authority is not collecting Taxes from the Customer based on the circumstances described in (1) or (2) above, the Customer shall immediately inform the Authority of any change in circumstances relating to its tax status that would require the Authority to charge and collect such Taxes from the Customer.

If the Customer fails to pay any bill when due, the Authority may add an interest charge of two percent (2%) of the amount unpaid thereto as liquidated damages, and thereafter, as further liquidated damages, may add an additional interest charge of one and one-half percent (1 1/2%) of the unpaid sum shall be added on the first day of each succeeding Billing Period until the amount due, including interest, is paid in full.

If the Customer disputes any item of any bill rendered by Authority, the Customer shall pay such bill in full within the time provided for by this Agreement, and adjustments, if appropriate, will be made thereafter.

If at any time after commencement of Electric Service the Customer fails to make complete and timely payment of any two (2) bills for Electric Service, the Authority may in its discretion: (1) require the Customer to deposit with the Authority a sum of money in an amount equal to all charges that would be due under this Agreement for Electric Service for two (2) consecutive calendar months as estimated by the Authority, which sum shall be deemed security for the payment of unpaid bills and/or other claims of the Authority against the Customer upon termination of Electric Service; (2) suspend Electric Service; or (3) modify or terminate Electric Service. If the Customer fails or refuses to provide a security the deposit within thirty (30) days of a request pursuant to this provision, the Authority may modify, suspend, or terminate Electric Service to the Customer.

The rights and remedies provided to the Authority in IV.E of this Service Tariff are in addition to any and all other rights and remedies available to Authority under the Agreement, this Service Tariff and the Rules, and at law or in equity.

F. Conflicts

In the event of any inconsistencies, conflicts, or differences between the provisions of this Service Tariff and the Rules, the provisions of the Service Tariff will govern. In the event of any inconsistencies, conflicts, or differences between this Service Tariff or the Rules and any provisions of the Agreement, the provisions of the Agreement will govern.

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: July 29, 2025

To: NEW YORK POWER AUTHORITY TRUSTEES

From: PRESIDENT & CHIEF EXECUTIVE OFFICER

Subject: **Contracts for the Sale of Hydropower – Final Approval and Transmittal to the Governor**

SUMMARY

The Trustees are requested to:

1. Approve the final contract for the sale of 700 kilowatts ("kW") of Expansion Power ("EP") to Big Heart Pet Brands, Inc. ("Big Heart") and the final contract for the sale of 4,500 kW of EP to Rosina Food Products, Inc. ("Rosina") ("Contracts"). A copy of the Contracts, along with the applicable service tariff, Service Tariff No. WNY-2 ("ST WNY-2"), is attached as Exhibit "A" and Exhibit "B".
2. Authorize transmittal of the Contracts to the Governor for her review and requested authorization for the Authority to execute the Contracts pursuant to Public Authorities Law ("PAL") §1009.

BACKGROUND

Under PAL §1005(13), the Authority may allocate and sell directly or by sale for resale, 250 MW of Expansion Power ("EP") and 445 MW of RP (collectively, "WNY Hydropower") to businesses located within 30 miles of the Niagara Power Project, provided that the amount of EP allocated to businesses in Chautauqua County on January 1, 1987, shall continue to be allocated in such county.

As required by PAL §1009, when the Authority has reached agreement with its co-party on a power sale contract, it is required to transmit the proposed contract to the Governor and other elected officials and hold a public hearing on the proposed contract. At least 30-days' notice of the hearing must be given by publication once in each week during such period in each of six selected newspapers. Following the public hearing, the contract may be modified, if advisable.

Upon approval of the final proposed contract by the Authority, the Authority "reports" the proposed contract, along with its recommendations and the public hearing record, to the Governor and other elected officials. Upon authorization of the Governor, the Authority may execute the contract.

DISCUSSION

At their meeting on March 25, 2025, the Trustees awarded a 700 kW EP allocation to Big Heart for a term of ten years to support an expansion of its Buffalo (Erie County) manufacturing facility, which produces dog biscuits for its "Soft & Chewy" dog treat brand. Big Heart's Supplemental Commitments include agreements to make a capital investment of at least $52,660,000 at its facilities that would receive the allocation and to create at least 17 new full-time jobs above a base employment level of 283 full-time jobs at the Buffalo facility for the term of the allocation.

At their meeting on March 25, 2025, the Trustees awarded a 4,500 kW EP allocation to Rosina for a term of ten years to support an expansion of two of its West Seneca (Erie County) manufacturing facilities, where one facility produces frozen meatballs and the other produces tortellini and ravioli. Rosina's Supplemental Commitments include agreements to make a capital investment of at least $50,000,000 at its facilities that would receive the allocation and to create at least 95 new full-time jobs above a base employment level of 425 full-time jobs at the West Seneca facilities for the term of the allocation.

The following is a summary of some of the pertinent provisions of the Contracts and ST WNY-2 related to the allocations:

- The term of the EP allocations is ten (10) years from the commencement of electric service, subject to termination/cancellation as provided for in the Contracts.

- Transmission and delivery service would be provided by the customer's local utility in accordance with the utility's Public Service Commission-approved delivery service tariff.

- The Contracts provide for the direct billing of all production charges (*i.e.,* demand and energy), as well as all New York Independent System Operator, Inc. charges, plus taxes or any other required assessments, as set forth in ST WNY-2, previously approved by the Trustees.

- The customer must perform an energy audit at the facility receiving the allocation. The customer would have the option to satisfy the audit requirement through either a traditional physical audit or a virtual audit using the Authority's New York Energy Manager, which is expected to provide considerable savings for customers who select it.

- The Contracts provide for collection of a Zero Emission Credit Charge and a Renewable Energy Credit Charge to allow the Authority to recover costs it incurs relating to its purchase of Zero Emission Credits and Renewable Energy Credits attributable to the load of each customer.

- The Authority would have the right to reduce or terminate the allocation if Supplemental Commitments are not met.

PUBLIC HEARING

In accordance with PAL § 1009, a public hearing on the proposed Contracts for Big Heart and Rosina was held on May 15, 2025, at 40 La Riviere Drive, Buffalo, NY 14202. There were no public comments. A copy of the official transcript of the public hearing including any written submittals is attached as Exhibit "C".

FISCAL INFORMATION

The allocations are new allocations, and therefore the sales would result in additional revenues for the Authority.

RECOMMENDATION

The Senior Vice President – Customer Solutions recommends that the Trustees approve the Contracts and authorize the transmittal of the Contracts to the Governor for her review and to seek her authorization for the Authority to execute the Contracts pursuant to PAL §1009.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Justin E. Driscoll
President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, That the contract for the sale of 700 kilowatts of Expansion Power to Big Heart Pet Brands, Inc. and the contract for the sale of 4,500 kW of Expansion Power to Rosina Food Products, Inc. (the "Contracts"), are in the public interest and hereby approved, and in accordance with Public Authorities Law § 1009, the Contracts shall be submitted to the Governor for her review and to seek her authorization for the Authority to execute the Contracts, and copies of the Contracts, along with the record of the public hearing thereon, shall be forwarded to the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee; and be it further

RESOLVED, That the Chair and the Corporate Secretary be authorized and directed to execute such Contracts in the name of and on behalf of the Authority upon the Governor's approval of the Contracts; and be it further

RESOLVED, That the Senior Vice President – Customer Solutions, or her designee, be, and hereby is, authorized, subject to the approval of the form thereof by the Executive Vice President/General Counsel, to negotiate and execute any and all documents necessary or desirable to implement the Contracts, as set forth in the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President/General Counsel.

Exhibit A
July 29, 2025

POWER AUTHORITY

OF THE

STATE OF NEW YORK

30 South Pearl Street
10th Floor
Albany, New York 12207-3425

AGREEMENT FOR THE SALE OF EXPANSION POWER AND/OR REPLACEMENT POWER

Big Heart Pet Brands, Inc.

The POWER AUTHORITY OF THE STATE OF NEW YORK ("Authority"), created pursuant to Chapter 772 of the New York Laws of 1931 and existing under Title I of Article V of the New York Public Authorities Law ("PAL"), having its office and principal place of business at 30 South Pearl Street, 10th Floor, Albany, New York 12207-3425, hereby enters into this Agreement for the Sale of Expansion Power and/or Replacement Power ("Agreement") with Big Heart Pet Brands, Inc. ("Customer") with offices and principal place of business at 243 Urban Street, Buffalo, New York 14211. The Authority and the Customer are from time to time referred to in this Agreement as "Party" or collectively as "Parties" and agree as follows:

RECITALS

WHEREAS, the Authority is authorized to sell hydroelectric power produced by the Niagara Power Project, Federal Energy Regulatory Commission ("FERC") Project No. 2216, including hydropower known as Expansion Power ("EP") and Replacement Power ("RP") to qualified businesses in accordance with PAL § 1005(5) and (13);

WHEREAS, the Customer has applied for an allocation of EP and/or RP, or for an extension of an existing allocation of EP or RP, for use at facilities defined in this Agreement as the "Facility";

WHEREAS, the Customer has offered to make specific commitments relating to, among other things, the creation and/or retention of jobs, capital investments, power usage and energy efficiency measures at the Facility;

WHEREAS, the Authority's Board of Trustees approved an allocation of EP and/or RP to the Customer;

WHEREAS, the Parties have reached an agreement on the terms and conditions applicable for the sale of the EP and/or RP for a term provided in this Agreement;

WHEREAS, the Authority's provision of Electric Service under this Agreement is an unbundled service separate from (i) the transmission of the allocation, and (ii) the delivery of the Allocation;

WHEREAS, electric service to be provided hereunder shall be subject to the rates and other terms and conditions contained in the Service Tariff No. WNY-2 as provided in this Agreement;

WHEREAS, the Authority has complied with requirements of PAL § 1009, and has been authorized to execute the Agreement; and

WHEREAS, the Authority has complied with requirements of PAL § 1009, and has been authorized to execute the Agreement.

NOW, THEREFORE, in consideration of mutual covenants, terms, and conditions herein, and for other good and valuable consideration, the receipt and adequacy of which the Parties hereby acknowledge, the Parties do hereby mutually covenant and agree as follows:

ARTICLE I
DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Agreement, shall have the meanings as set forth below. When used with initial capitalization, whether singular or plural, terms defined in schedules or appendices to this Agreement shall have the meanings set forth in such schedules or appendices.

"Adverse Water Condition" means any event or condition, including without limitation a hydrologic or hydraulic condition, that relates to the flow, level, or usage of water at or in the vicinity of the Project and/or its related facilities and structures, and which prevents, threatens to prevent, or causes the Authority to take responsive action that has the effect of preventing, the Project from producing a sufficient amount of energy to supply the full power and energy requirements of firm power and firm energy customers who are served by the Project.

"Agreement" means this Agreement, and unless otherwise indicated herein, includes all schedules, appendices and addenda thereto, as the same may be amended from time to time.

"Allocation" refers to the allocation(s) of EP and/or RP awarded to the Customer as specified in Schedule A.

"Alternative REC Compliance Program" has the meaning provided in Schedule E.

"Annual Capital Investment Commitment" has the meaning set forth in Schedule B.

"Annual CI Expenditures" has the meaning set forth in Schedule B.

"Base Employment Level" has the meaning set forth in Schedule B.

"Contract Demand" is as defined in Service Tariff No. WNY-2.

"Customer-Arranged Energy" means energy that the Customer procures from sources other than the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment.

"Effective Date" means the date that this Agreement is fully executed by the Parties.

"Electric Service" is the Firm Power and Firm Energy associated with the Allocation and sold by the Authority to the Customer in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.

"Energy Services" has the meaning set forth in Article V of this Agreement.

"Expansion Power" (or "EP") is 250 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(13).

"Expansion Project" has the meaning set forth in Section IV.3.a of this Agreement.

"Expansion Project Capital Investment Commitment" has the meaning set forth in Schedule B.

"Facility" means the Customer's facilities as described in Schedule A to this Agreement.

"Firm Power" is as defined in Service Tariff No. WNY-2.

"Firm Energy" is as defined in Service Tariff No. WNY-2.

"FERC" means the Federal Energy Regulatory Commission (or any successor organization).

"FERC License" means the first new license issued by FERC to the Authority for the continued operation and maintenance of the Project, pursuant to Section 15 of the Federal Power Act, which became effective September 1, 2007 after expiration of the Project's original license which became effective in 1957.

"Hydro Projects" is a collective reference to the Project and the Authority's St. Lawrence-FDR Project, FERC Project No. 2000.

"International Joint Commission" or "IJC" refers to the entity with responsibility to prevent and resolve disputes between the United States of America and Canada under the *1909 Boundary Waters Treaty* and pursues the common good of both countries as an independent and objective advisor to the two governments. The IJC rules upon applications for approval of projects affecting boundary or transboundary waters and may regulate the operation of these projects.

"Load Reduction" has the meaning set forth in Section IX.6 of this Agreement.

"Load Serving Entity" (or "LSE") means an entity designated by a retail electricity customer (including the Customer) to provide capacity, energy and ancillary services to serve such customer, in compliance with NYISO Tariffs, rules, manuals and procedures.

"Metering Arrangement" has the meaning set forth in Section II.8 of this Agreement.

"NYEM" means the New York Energy Manager, an energy management center owned and operated by the Authority.

"NYEM Agreement" means a written agreement between the Authority and the Customer providing for the Facility's enrollment and Customer's participation in NYEM.

"NYEM Participation" has the meaning specified in Schedule B of this Agreement.

"NYISO" means the New York Independent System Operator or any successor organization.

"NYISO Charges" has the meaning set forth in Section VII.3 of this Agreement.

"NYISO Tariffs" means the NYISO's Open Access Transmission Tariff or the NYISO's Market Administration and Control Area Services Tariff, as applicable, as such tariffs are modified from time to time, or any successor to such tariffs.

"Planned Hydropower Curtailment" means a temporary reduction in Firm Energy to which the Customer is entitled to receive under this Agreement made by the Authority in response to an anticipated or forecasted Adverse Water Condition.

"Physical Energy Audit" or "Audit" means a physical evaluation of the Facility in a manner approved by the Authority that includes at a minimum the following elements: (a) an assessment of the Facility's energy use, cost and efficiency which produces an energy utilization index for the Facility (such as an Energy Use Intensity or Energy Performance Indicator); (b) a comparison of the Facility's index to indices for similar buildings/facilities; (c) an analysis of low-cost/no-cost measures for improving energy efficiency; (d) a listing of potential capital improvements for improving energy consumption; and (e) an initial assessment of potential costs and savings from such measures and improvements.

"Project" means the Niagara Power Project, FERC Project No. 2216.

"Replacement Power" (or "RP") is 445 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(13).

"Reporting Year" means the yearly interval that the Authority uses for reporting, compliance and other purposes as specified in this Agreement. The Reporting Year for this Agreement is from January 1 through December 31, subject to change by the Authority without notice.

"Rolling Average" has the meaning set forth in Schedule B.

"Rules" are the applicable provisions of Authority's rules and regulations (Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York), as may be modified from time to time by the Authority.

"Service Information" has the meaning set forth in Section II.12 of this Agreement.

"Service Tariff No. WNY-2" means the Authority's Service Tariff No. WNY-2, as may be modified from time to time by the Authority, which contains, among other things, the rate schedule establishing rates and other commercial terms for sale of Electric Service to Customer under this Agreement.

"Schedule A" refers to the Schedule A entitled "Expansion Power and/or Replacement Power Allocations" which is attached to and made part of this Agreement.

"Schedule B" refers to the Schedule B entitled "Supplemental Expansion Power and/or Replacement Power Commitments" which is attached to and made part of this Agreement, including any appendices attached thereto.

"Schedule C" refers to the Schedule C entitled "Takedown Schedule" which is attached to and made part of this Agreement.

"Schedule D" refers to the Schedule D entitled "Zero Emission Credit Charge" which is attached to and made part of this Agreement.

"Schedule E" refers to the Schedule E entitled "Monthly Renewable Energy Credit Charge" which is attached to and made part of this Agreement.

"Substitute Energy" means energy that is provided to the Customer by or through the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment or an Unplanned Hydropower Curtailment.

"Takedown" means the portion of the Allocation that Customer requests to be scheduled for a specific period as provided for in Schedule C, if applicable.

"Taxes" is as defined in Service Tariff No. WNY-2.

"Unforced Capacity" (or "UCAP") means the electric capacity required to be provided by LSEs to serve electric load as defined by the NYISO Tariffs, rules, manuals and procedures.

"Unplanned Hydropower Curtailment" means a temporary reduction in the amount of Firm Energy to which the Customer is entitled to receive under this Agreement due to Adverse Water Condition that the Authority did not anticipate or forecast.

"Utility Tariff" means the retail tariff(s) of the Customer's local electric utility filed and approved by the PSC applicable to the delivery of EP and/or RP.

ARTICLE II
ELECTRIC SERVICE

1. The Authority shall make available Electric Service to enable the Customer to receive the Allocation in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.

2. The Customer shall not be entitled to receive Electric Service under this Agreement for any EP and/or RP allocation unless such EP and/or RP allocation is identified in Schedule A.

3. The Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation specified in Schedule A. If Schedule C specifies a Takedown Schedule for the Allocation, the Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation in accordance with such Takedown Schedule.

4. The Authority shall provide UCAP in amounts necessary to meet the Customer's NYISO UCAP requirements associated with the Allocation in accordance with the NYISO Tariffs. The Customer shall be responsible to pay the Authority for such UCAP in accordance with Service Tariff No. WNY-2.

5. The provision of Electric Service associated with the Allocation is an unbundled service separate from the transmission and delivery of power and energy to the Customer. The Customer acknowledges and agrees that Customer's local electric utility, not the Authority, shall be responsible for delivering the Allocation to the Facility specified in Schedule A in accordance with the applicable Utility Tariff(s).

6. The Contract Demand for the Customer's Allocation may be modified by the Authority if the amount of Firm Power and Firm Energy available for sale as EP or RP from the Project is modified as required to comply with any ruling, order, or decision of any regulatory or judicial body having jurisdiction, including but not limited to FERC. Any such modification will be made on a pro rata basis to all EP and RP customers, as applicable, based on the terms of such ruling, order, or decision.

7. The Contract Demand may not exceed the Allocation.

8. The Customer's Facility must be metered by the Customer's local electric utility in a manner satisfactory to the Authority, or another metering arrangement satisfactory to the Authority must be provided (collectively, "Metering Arrangement"). A Metering Arrangement that is not satisfactory to the Authority shall be grounds, after notice to the Customer, for the Authority to modify, withhold, suspend, or terminate Electric Service to the Customer. If a Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination that it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. After commencement of Electric Service, the Customer shall notify the Authority in writing within thirty (30) days of any alteration to the Facility's Metering Arrangement, and provide any information requested by the Authority (including Facility access) to enable the Authority to determine whether the Metering Arrangement remains satisfactory. If an altered Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. The Authority may, in its discretion, waive any of the requirements provided for in this Section in whole or in part where in the Authority's judgment, another mechanism satisfactory to the Authority can be implemented to enable the Authority to receive pertinent, timely and accurate information relating to the Customer's energy consumption and demand and render bills to the Customer for all fees, assessments and charges that become due in accordance with this Agreement, Service Tariff No. WNY-2, and the Rules.

9. The Customer consents to the exchange of information between the Authority and the Customer's local electric utility pertaining to the Customer that such parties determine is necessary to provide for the allocation, sale and delivery of the Allocation to the Customer, the proper and efficient implementation of the EP and/or RP program, billing related to Electric Service, and/or the performance of such parties' obligations under any contracts or other arrangements between them relating to such matters. In addition, the Customer agrees to complete such forms and consents that the Authority determines are necessary to effectuate such exchanges of information.

10. The provision of Electric Service by the Authority shall be dependent upon the existence of a written agreement between the Authority and the Customer's local electric utility providing for the delivery of the Allocation on terms and conditions that are acceptable to the Authority.

11. The Customer understands and acknowledges that the Authority may from time to time require the Customer to complete forms, execute consents, and provide information (collectively, "Service Information") that the Authority determines is necessary for the provision of Electric Service, the delivery of the Allocation, billing related to Electric Service, the effective administration of the EP and/or RP programs, and/or the performance of contracts or other arrangements between the Authority and the Customer's local electric utility. The Customer's failure to provide Service Information on a timely basis shall be grounds for the Authority in its discretion to modify, withhold, suspend, or terminate Electric Service to the Customer.

ARTICLE III
RATES, TERMS AND CONDITIONS

1. Electric Service shall be sold to the Customer in accordance with the rates, terms and conditions provided for in this Agreement, Service Tariff No. WNY-2 and the Rules. The Authority agrees to waive the Minimum Monthly Charge set forth in Service Tariff No. WNY-2 for a period up to one (1) year upon written request from the Customer that is accompanied by information that demonstrates to the Authority's satisfaction a short-term reduction or interruption of Facility operations due to events beyond the Customer's control. The Customer shall provide such information that the Authority requests during the period of any such waiver to enable the Authority to periodically evaluate the ongoing need for such waiver.

2. If the Authority at any time during the term of this Agreement enters into an agreement with another customer for the sale of EP or RP at power and energy rates that are more advantageous to such customer than the power and energy rates provided in this Agreement and Service Tariff No. WNY-2, then the Customer, upon written request to the Authority, will be entitled to such more advantageous power and energy rates in the place of the power and energy rates provided in this Agreement and Service Tariff No. WNY-2 effective from the date of such written request, provided, however, that the foregoing provision shall not apply to:

    a. any agreement for the sale of EP and/or RP with an Authority customer whose purchase of EP and/or RP is associated with an Authority service tariff other than Service Tariff No. WNY-2, including Authority Service Tariff No. WNY-1; or

    b. any agreement for the sale of EP and/or RP with an Authority customer which is associated with such customer's participation in an Alternative REC Compliance Program provided for in Schedule E of this Agreement.

3. Notwithstanding any provision of this Agreement to the contrary, the power and energy rates for Electric Service shall be subject to increase by Authority at any time upon 30 days prior written notice to Customer if, after consideration by Authority of its legal obligations, the marketability of the output or use of the Project and Authority's competitive position with

respect to other suppliers, Authority determines in its discretion that increases in rates obtainable from any other Authority customers will not provide revenues, together with other available Authority funds not needed for operation and maintenance expenses, capital expenses, and reserves, sufficient to meet all requirements specified in Authority's bond and note resolutions and covenants with the holders of its financial obligations. Authority shall use its best efforts to inform Customer at the earliest practicable date of its intent to increase the power and energy rates pursuant to this provision. With respect to any such increase, Authority shall forward to Customer with the notice of increase, an explanation of all reasons for the increase, and shall also identify the sources from which Authority will obtain the total of increased revenues and the bases upon which Authority will allocate the increased revenue requirements among its customers. Any such increase in rates shall remain in effect only so long as Authority determines such increase is necessary to provide revenues for the purposes stated in the preceding sentences.

4. In addition to all other fees, assessments and charges provided for in the Agreement, Service Tariff WNY-2 and the Rules, the Customer shall be responsible for payment of the Zero Emission Credit Charge and Monthly Renewable Energy Credit Charge provided for in Schedule D and Schedule E, respectively, of this Agreement.

ARTICLE IV
SUPPLEMENTAL COMMITMENTS

1. Supplemental Commitments. Schedule B sets forth the Customer's "Supplemental Expansion Power and/or Replacement Power Commitments" ("Supplemental Commitments"). The Authority's obligation to provide Electric Service under this Agreement is expressly conditioned upon the Customer's timely compliance with the Supplemental Commitments described in Schedule B as further provided in this Agreement. The Customer's Supplemental Commitments are in addition to all other commitments and obligations provided in this Agreement.

2. [*Intentionally Left Blank*]

3. Special Provisions Relating to a New or Expanded Facility.

   a. Proposed New or Expanded Facility; Failure to Complete.

      If Schedule B provides for the construction of a new facility or an expansion of an existing facility (collectively, "Expansion Project"), and the Customer fails to complete the Expansion Project by the date specified in Schedule B, the Authority may, in its discretion, (a) cancel the Allocation, or (b) if it believes that the Expansion Project will be completed in a reasonable time, agree with the Customer to extend the time for completion of the Expansion Project.

   b. Proposed New or Expanded Facility; Partial Performance.

      If the Expansion Project results in a completed Facility that is only partially operational, or is material different than the Expansion Project agreed to in Schedule B (as measured

by such factors as size, capital investment expenditures, capital improvements, employment levels, estimated energy demand and/or other criteria determined by the Authority to be relevant), the Authority may, in its discretion, on its own initiative or at the Customer's request, make a permanent reduction to the Allocation and Contract Demand to an amount that the Authority determines to fairly correspond to the completed Facility.

c. Notice of Completion; Commencement of Electric Service.

(i) The Customer shall give the Authority not less than ninety (90) days' advance written notice of the anticipated date of completion of an Expansion Project. The Authority will inspect the Expansion Project for the purpose of verifying the status of the Expansion Project and notify Customer of the results of the inspection. The Authority will thereafter commence Electric Service within a reasonable time subject to the other provisions of this Agreement based on applicable operating procedures of the Authority, Customer's local electric utility and NYISO.

(ii) In the event of an Expansion Project being completed in multiple phases, at the Customer's request the Authority may, in its discretion, allow commencement of part of the Allocation upon completion of any such phase, provided the Authority will similarly inspect the Expansion Project for the purpose of verifying the status of the completed phase of the Expansion Project. Upon such verification by the Authority of any such completed phase, the Authority, in its discretion, will determine an amount of kW that fairly corresponds to the completed phase of the Expansion Project, taking into account relevant criteria such as any capital expenditures, increased employment levels, and/or increased electrical demand associated with the completed phase of the Expansion Project.

d. Other Rights and Remedies Unaffected.

Nothing in this Article is intended to limit the Authority's rights and remedies provided for in the other provisions of this Agreement, including without limitation the provisions in Schedule B of this Agreement.

ARTICLE V
ENERGY-RELATED PROJECTS, PROGRAMS AND SERVICES

The Authority shall periodically communicate with the Customer for the purpose of informing the Customer about energy-related projects, programs and services ("Energy Services") offered by the Authority that in the Authority's view could provide value to the Customer and/or support the State's Clean Energy Standard. The Customer shall review and respond to all such offers in good faith, provided, however, that, except as otherwise provided for in this Agreement, participation in any such Energy Services shall be at the Customer's option, and subject to such terms and conditions agreed to by the Parties in one or more definitive agreements.

ARTICLE VI
SERVICE TARIFF; CONFLICTS

1. A copy of Service Tariff No. WNY-2 in effect upon the execution of this Agreement is attached to this Agreement as Exhibit 1, and will apply under this Agreement with the same force and effect as if fully set forth herein. The Customer consents to the application of Service Tariff WNY-2. Service Tariff No. WNY-2 is subject to revision by the Authority from time to time, and if revised, the revised provisions thereof will apply under this Agreement with the same force and effect as if set forth herein. The Authority shall provide the Customer with prior written notice of any revisions to Service Tariff No. WNY-2.

2. In the event of any inconsistencies, conflicts, or differences between the provisions of Service Tariff No.WNY-2 and the Rules, the provisions of Service Tariff No. WNY-2 shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of this Agreement and Service Tariff No. WNY-2 or the Rules, the provisions of this Agreement shall govern.

ARTICLE VII
TRANSMISSION AND DELIVERY

1. The Customer shall be responsible for:

   a. complying with all requirements of its local electric utility (including any other interconnecting utilities) that are necessary to enable the Customer to receive delivery service for the Allocation. Delivery of the Allocation shall be subject to the Utility Tariff;

   b. paying its local electric utility for delivery service associated with the Allocation in accordance with the Utility Tariff, and if the Authority incurs any charges associated with such delivery service, reimbursing the Authority for all such charges; and

   c. obtaining any consents and agreements from any other person that are necessary for the delivery of the Allocation to the Facility, and complying with the requirements of any such person, provided that any such consents, agreements and requirements shall be subject to the Authority's approval.

2. The Authority will use good faith efforts to provide the Customer with at least one year's advance notice of the scheduled expiration of Historic Fixed Price Transmission Congestion Contracts. After issuance of any such notice, the Authority will make itself available at reasonable times to collaborate with the Customer and other EP and RP customers to discuss potential risk-hedging options that might be available following expiration of such contracts.

3. The Customer understands and acknowledges that delivery of the Allocation will be made over transmission facilities under the control of the NYISO. The Authority will act as the LSE with respect to the NYISO, or arrange for another entity to do so on the Authority's behalf. The Customer agrees and understands that it shall be responsible to the Authority for all costs incurred by the Authority with respect to the Allocation for the services established in the NYISO Tariff, or other applicable tariff ("NYISO Charges"), as set forth in Service

Tariff No. WNY-2 or any successor service tariff, regardless of whether such NYISO Charges are transmission-related.

4. The Authority will consider opportunities to assist the Customer concerning actions, practices, or procedures of the Customer's local electric utility identified by the Customer that could adversely impact the implementation and effectiveness of the EP and RP programs, provided that whether or not to take any action or adopt any position on any issue, including any adverse position, is within the Authority's discretion and further subject to applicable laws, regulations and existing legal obligations.

ARTICLE VIII
BILLING AND BILLING METHODOLOGY

1. The billing methodology for the Allocation shall be determined on a "load factor sharing" basis in a manner consistent with the Utility Tariff and any agreement between the Authority and the Customer's local electric utility. An alternative basis for billing may be used provided the Parties agree in writing and the local electric utility provides its consent if such consent is deemed necessary.

2. All other provisions with respect to billing are set forth in Service Tariff No. WNY-2 and the Rules.

3. The rights and remedies provided to the Authority in this Article are in addition to any and all other rights and remedies available to Authority at law or in equity.

ARTICLE IX
HYDROPOWER CURTAILMENTS AND SUBSTITUTE ENERGY

1. The Customer shall, on a form provided by the Authority, elect to either (a) purchase Substitute Energy from the Authority, or (b) rely on Customer-Arranged Energy, for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment. The Customer shall make its election in accordance with the time period and other requirements prescribed in such form. The election shall apply for the entire calendar year identified in the form.

2. The Customer may change its election on a form provided by the Authority by giving the Authority notice of such change no later than the first day of November preceding the calendar year to which the Customer intends such change to become effective. Such change shall be effective on the first day of January following the Authority's receipt the Customer's notice and shall remain in effect unless it is changed in accordance with the provisions of Section IX.1.

3. In the event of an anticipated or planned Adverse Water Condition, the Authority will have the right in its discretion to implement Planned Hydropower Curtailments. The Authority will implement Planned Hydropower Curtailments on a non-discriminatory basis as to all Authority customers that are served by the Project. The Authority will provide the Customer with advance notice of Planned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer no later than the tenth business day of the month

prior to the month in which the Planned Hydropower Curtailment is expected to occur unless the Authority is unable to provide such notice due to the circumstances that impede such notice, in which case the Authority will provide such advance notice that is practicable under the circumstances.

4. If the Customer elected to purchase Substitute Energy from the Authority, the Authority shall provide Substitute Energy to the Customer during all Planned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, Substitute Energy shall be sourced from markets administered by the NYISO. The Authority may require the Customer to enter into one or more separate agreements to facilitate the provision of Substitute Energy to the Customer.

5. If the Customer elected to rely on Customer-Arranged Energy, the Authority shall have no responsibility to provide the Customer with Substitute Energy during any Planned Hydropower Curtailment, and the Customer shall be responsible for the procurement, scheduling, delivery and payment of all costs associated with Customer-Arranged Energy.

6. The Customer shall have the right to reduce its load in response to a Planned Hydropower Curtailment (a "Load Reduction"), provided, however, that the Customer shall, on an Authority form, provide the Authority with no less than seven (7) days' advance notice of the time period(s) during when the Load Reduction will occur, the estimated amount of the Load Reduction (demand and energy), and all other information required by such form. The Authority will confirm whether the notice provides the required information and proposed Load Reduction has been accepted. The Customer shall reimburse the Authority for all costs that the Authority incurs as a result of the Customer's failure to provide such notice.

7. In the event of an Adverse Water Condition that the Authority did not anticipate or forecast, the Authority shall have the right in its discretion to implement Unplanned Hydropower Curtailments. The Unplanned Hydropower Curtailments will be implemented on a non-discriminatory basis as to all Authority customers that are served by the Project.

8. The Authority will provide the Customer with notice of Unplanned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer within five (5) business days after the first occurrence of an Unplanned Hydropower Curtailment that occurs within a month, and thereafter will provide the Customer with reasonable notice under the circumstances of the potential for any other Unplanned Hydropower Curtailments that are expected to occur within such month or beyond. The Authority will give the Customer notice of any Unplanned Hydropower Curtailments that the Authority believes are likely to exceed forty-eight (48) continuous hours in duration.

9. Notwithstanding the Customer's election pursuant to Section IX.1, the Authority shall provide the Customer with Substitute Energy during Unplanned Hydropower Curtailments.

10. For each kilowatt-hour of Substitute Energy provided by the Authority during a Planned Hydropower Curtailment, the Customer shall pay the Authority directly during the billing month: (1) the difference between the market cost of the Substitute Energy and the charge for firm energy as provided for in this Agreement; and (2) any NYISO charges and taxes the Authority incurs in connection with the provision of such Substitute Energy. Unless

otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Planned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.

11. The Customer shall be responsible for all costs associated with the Authority's provision of Substitute Energy during Unplanned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Unplanned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.

12. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Customer in later billing periods.

ARTICLE X
EFFECTIVENESS, TERM AND TERMINATION

1. This Agreement shall become effective and legally binding on the Parties on the Effective Date.

2. Once commenced, Electric Service under the Agreement shall continue until the earliest of: (a) termination by the Customer with respect to its Allocation upon ninety (90) days prior written notice to the Authority; (b) termination by the Authority pursuant to this Agreement, Service Tariff No. WNY-2, or the Rules; or (c) expiration of the Allocation by its own term as specified in Schedule A.

3. The Customer may exercise a partial termination of the Allocation upon at least sixty (60) days' prior written notice to the Authority. The Authority will effectuate the partial termination as soon as practicable after receipt of such notice taking account of the Authority's internal procedures and requirements of the Customer's local electric utility.

4. The Authority may cancel service under this Agreement or modify the quantities of Firm Power and Firm Energy associated with the Allocation: (1) if such cancellation or modification is required to comply with any final ruling, order or decision of any regulatory or judicial body of competent jurisdiction (including any licensing or re-licensing order or orders of the FERC or its successor agency); or (2) as otherwise provided in this Agreement, Service Tariff No. WNY-2, or the Rules.

ARTICLE XI
EXTENSIONS OF ALLOCATION; AWARD OF ADDITIONAL ALLOCATIONS

1. The Customer may apply to the Authority for an extension of the term of the Allocation identified in Schedule A:

    a. during the thirty-six (36) month period immediately preceding the scheduled expiration of the Allocation;

b. pursuant to any other process that the Authority establishes; or
c. with the Authority's written consent.

2. Upon proper application by the Customer, the Authority may in accordance with applicable law and Authority procedures award additional allocations of EP and/or RP to the Customer at such rates and on such terms and conditions as the Authority establishes. If the Customer agrees to purchase Electric Service associated with any such additional allocation, the Authority will (a) incorporate any such additional allocations into Schedule A, or in its discretion will produce a supplemental schedule, to reflect any such additional allocations, and (b) produce a modified Appendix to Schedule B, as the Authority determines to be appropriate. The Authority will furnish the Customer with any such modified Schedule A, supplemental schedule, and/or a modified Appendix to Schedule B, within a reasonable time after commencement of Electric Service for any such additional allocation.

3. In addition to any requirements imposed by law, the Customer hereby agrees to furnish such documentation and other information as the Authority requests to enable the Authority to evaluate any requests for extension of the Allocation or additional allocations and consider the terms and conditions that should be applicable of any extension or additional allocations.

ARTICLE XII
NOTICES

1. Notices, consents, authorizations, approvals, instructions, waivers or other communications provided in this Agreement shall be in writing and transmitted to the Parties as follows:

To: The Authority

New York Power Authority
123 Main Street
White Plains, New York 10601
Email: ContractDocs@nypa.gov
Facsimile: (914) 390-8156
Attention: Manager – Business Power Allocations and Compliance

To: The Customer

Big Heart Pet Brands, Inc.
243 Urban Street
Buffalo, NY, 14211
Email: meredith.mullet@jmsmucker.com
Facsimile:
Attention: Meredith Mullet

2. The foregoing notice/notification information pertaining to either Party may be changed by such Party upon notification to the other Party pursuant to Section XII.1.

3. Except where otherwise herein specifically provided, any notice, communication or request required or authorized by this Agreement by either Party to the other shall be deemed

properly given: (a) if sent by U.S. First Class mail addressed to the Party at the address set forth above; (b) if sent by a nationally recognized overnight delivery service, two (2) calendar days after being deposited for delivery to the appropriate address set forth above; (c) if delivered by hand, with written confirmation of receipt; (d) if sent by facsimile to the appropriate fax number as set forth above, with written confirmation of receipt; or (e) on the date of transmission if sent by electronic communication to the appropriate address as set forth above, with confirmation of receipt. Either Party may change the addressee and/or address for correspondence sent to it by giving written notice in accordance with the foregoing.

ARTICLE XIII
SUCCESSORS AND ASSIGNS; RESALE OF HYDROPOWER

1. This Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the legal successors and assigns of either Party hereto, provided that no assignment by either Party or any successor or assignee of such Party of its rights and obligations hereunder shall be made or become effective without the prior written consent of the other Party, which consent shall not be unreasonably withheld or conditioned. Notwithstanding the foregoing sentence, the Authority may require such approvals, and such consents and other agreements from the Customer and other parties, that the Authority determines are necessary in order to effectuate any such assignment.

2. The Customer may not transfer any portion of the Allocation to any other person, or a location different than the Facility, unless: (a) the Authority in its discretion authorizes the transfer Authority; (b) all other requirements applicable to a transfer, including board approvals, are satisfied; and (c) the transfer is effectuated in a form and subject to such terms and conditions approved by the Authority. Any purported transfer that does not comply with the foregoing requirements shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service or terminate the Allocation and/or this Agreement.

3. The Customer may not sell any portion of the Allocation to any other person. Any purported sale shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service, or terminate the Allocation and/or this Agreement.

ARTICLE XIV
MISCELLANEOUS

1. Choice of Law

   This Agreement shall be governed by and construed in accordance with the laws of the State of New York to the extent that such laws are not inconsistent with the FERC License and the Niagara Redevelopment Act (16 USC §§836, 836a) and rulings by the IJC and without regard to conflicts of law provisions.

2. Venue

   The Parties: (a) consent to the exclusive jurisdiction and venue of any state court within or

for Albany County, New York, with subject matter jurisdiction for adjudication of any claim, suit, action or any other proceeding in law or equity arising under, or in any way relating to this Agreement; (b) agree to accept service of process; and (c) will not raise any argument of inconvenient forum.

3. Previous Agreements; Modifications; and Interpretation

a. This Agreement shall constitute the sole and complete agreement of the Parties hereto with respect to the sale of the Allocation and the subject matter of the Agreement, and supersedes all previous communications and agreements between the Parties, oral or written, with reference to the sale of the Allocation.

b. No modifications of this Agreement shall be binding upon the Parties hereto or either of them unless such modification is in writing and is signed by a duly authorized officer of each of them.

c. No provision shall be construed against a Party on the basis that such Party drafted such provision.

4. Waiver

Any waiver at any time by either the Authority or the Customer of their rights with respect to a default or of any other matter arising out of this Agreement shall not be deemed to be a waiver with respect to any other default or matter. No waiver by either Party of any rights with respect to any matter arising in connection with this Agreement shall be effective unless made in writing and signed by the Party making the waiver.

5. Severability and Voidability

If any term or provision of this Agreement shall be invalidated, declared unlawful or ineffective in whole or in part by an order of the FERC or a court of competent jurisdiction, such order shall not be deemed to invalidate the remaining terms or provisions hereof. Notwithstanding the preceding sentence, if any provision of this Agreement is rendered void or unenforceable or otherwise modified by a court or agency of competent jurisdiction, the entire Agreement shall, at the option of either Party and only in such circumstances in which such Party's interests are materially and adversely impacted by any such action, be rendered void and unenforceable by such affected Party.

ARTICLE XV
EXECUTION

To facilitate execution, this Agreement may be executed in as many counterparts as may be required, and it shall not be necessary that the signatures of, or on behalf of, each Party, or that the signatures of all persons required to bind any Party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each Party, or that the signatures of the persons required to bind any Party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this

Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the Parties hereto. The delivery of an executed counterpart of this Agreement as a PDF or similar file type transmitted via electronic mail, cloud based server, e-signature technology or similar electronic means shall be legal and binding and shall have the same full force and effect as if an original executed counterpart of this Agreement had been delivered.

[SIGNATURES FOLLOW ON NEXT PAGE]

AGREED:

BIG HEART PET BRANDS, INC.

By: _____

Title: _____

Date: _____

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: _____
John R. Koelmel, Chairman

Date: _____

SCHEDULE A
EXPANSION POWER AND/OR REPLACEMENT POWER ALLOCATIONS

Customer: Big Heart Pet Brands, Inc. **Type of Allocation**	**Allocation Amount (kW)**	**Facility Address**	**Trustee Approval Date**	**Allocation Expiration Date**
EP	700 kW	243 Urban Street Buffalo, NY, 14211	March 25, 2025	Ten (10) years from the date of commencement of Electric Service

SCHEDULE B
SUPPLEMENTAL EXPANSION POWER AND/OR REPLACEMENT POWER COMMITMENTS

ARTICLE I
SPECIFIC SUPPLEMENTAL COMMITMENTS

1. Employment Commitments

   a. The Customer shall create and maintain the employment level set forth in the Appendix to this Schedule B (the "Base Employment Level"). Such Base Employment Level shall be the total number of full-time positions held by: (a) individuals who are employed by the Customer at Customer's Facility identified in the Appendix to this Schedule, and (b) individuals who are contractors or who are employed by contractors of the Customer and assigned to the Facility identified in such Appendix (collectively, "Base Level Employees"). The number of Base Level Employees shall not include individuals employed on a part-time basis (less than 35 hours per week); provided, however, that two individuals each working 20 hours per week or more at such Facility shall be counted as one Base Level Employee.

   b. The Base Employment Level shall not be created or maintained by transfers of employees from previously held positions with the Customer or its affiliates within the State of New York, except that the Base Employment Level may be filled by employees of the Customer laid off from other Customer facilities for *bona fide* economic or management reasons.

   c. The Authority may consider a request to change the Base Employment Level based on a claim of increased productivity, increased efficiency or adoption of new technologies or for other appropriate reasons as determined by the Authority. Any such change shall be within Authority's discretion.

2. Capital Investment Commitments

   The Customer shall make the capital investments specified in the Appendix to this Schedule B.

3. Power Utilization

   For each month the Authority provides Electric Service to the Customer, the Customer shall utilize the entire Allocation, as represented by the Billing Demand (as such term is described in Service Tariff No. WNY-2), provided, however, that if only part of the Allocation is being utilized in accordance with Schedule C, the Customer shall utilize such partial amount of the Allocation.

4. Energy Efficiency and Conservation Program

a. The Customer shall implement an energy efficiency and conservation program at the Facility through either (a) enrollment of the Facility and participation in NYEM in accordance with a NYEM Agreement, or (b) one or more Physical Energy Audits of the Facility, or (c) a combination of such measures, in accordance with the provisions of this Article.

b. The Authority shall transmit to the Customer a NYEM Agreement and an election form. The Customer shall elect to either (a) enroll the Facility and participate in NYEM for a three-year term ("NYEM Participation") in accordance with the NYEM Agreement, or (b) perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority's communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit within three (3) years of the Effective Date of this Agreement, at its own expense.

c. The Authority shall, on or before the expiration of the three-year term of the NYEM Agreement, transmit to the Customer a NYEM Agreement specifying the terms and conditions that would apply to NYEM participation for a second term, and an election form. The Customer shall elect either (a) NYEM Participation for a second term, or (b) to perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority's communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit during the calendar year that begins six years after the Effective Date of this Agreement, at its own expense.

d. The Authority may in its discretion waive the requirement for a Physical Energy Audit, or may agree to a limited energy audit of the Facility, where it determines that the Physical Energy Audit is unnecessary based on the age of the Facility, energy efficiency and conservation improvements made at the Facility, the length of the Allocation, or other considerations the Authority determines to be relevant.

ARTICLE II
RECORDKEEPING, REPORTING AND FACILITY ACCESS

1. Employment

   A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority, of the total number of Base Level Employees who are employed at or assigned to the Customer's Facility identified in the Appendix to this Schedule, as reported to the United States Department of Labor (or as reported in such other record as agreed upon by the Authority and the Customer). Such report shall separately identify the individuals who are employed by the Customer, and the individuals who are contractors or who are employed by contractors of the Customer, and shall be certified to be correct by an officer of the Customer, plant manager or such other person authorized by the Customer to prepare and file such report and shall be provided to the Authority on or before the last day of February following the end of the most recent calendar year. The Authority shall have the right to examine and audit on reasonable advance written notice all non-confidential written and electronic records and data concerning employment levels including, but not limited to, personnel records and summaries held by the Customer and its affiliates relating to employment in New York State.

2. Capital Investments

   The Customer shall comply with the recordkeeping, recording and reporting requirements specified in the Appendix to this Schedule B.

3. Power Usage

   A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority on or before the last day of February following the end of the most recent calendar year, of the maximum demand utilized each month in the Facility receiving the power covered by the Agreement.

4. Energy Efficiency and Conservation Program

   Upon the Authority's request, the Customer shall provide the Authority with (a) a copy of the results of any Physical Energy Audit performed at the Facility (or, at the Authority's option, a report describing the results), performed pursuant to this Article; and (b) a description of any energy efficiency or conservation measures that the Customer has implemented at the Facility in response to any Physical Energy Audit or as a result of NYEM Participation.

5. Facility Access

Notwithstanding any other provision of the Agreement, the Customer shall provide the Authority with such access to the Facility, and such documentation, as the Authority deems necessary to determine the Customer's compliance with the Customer's Supplemental Commitments specified in this Schedule B.

ARTICLE III
COMPLIANCE ACTION BY THE AUTHORITY

1. Employment

   If the year-end monthly average number of employees is less than 90% of the Base Employment Level set forth in the Appendix to this Schedule B for the subject calendar year, the Authority may reduce the Contract Demand in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount of reduction will be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average monthly employment during the subject calendar year divided by the Base Employment Level. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, the Agreement shall automatically terminate.

2. Capital Investment Commitment

   The Authority may reduce the Contract Demand as provided in the Appendix to this Schedule B if the Customer does not comply with the Capital Investment Commitment.

3. Power Utilization Level

   If the average of the Customer's six (6) highest Billing Demands (as such term is described in Service Tariff No. WNY-2) for Expansion Power and/or Replacement Power is less than 90% of the Customer's Contract Demand in such calendar year the Authority may reduce the Contract Demand subject to in accordance with the procedures provide in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average of the six (6) highest Billing Demands for in such calendar year divided by the Contract Demand. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

4. Additional Compliance Action

   In addition to the Authority's other rights and remedies provided in this Agreement, Service Tariff WNY-2 and the Rules, the Authority may suspend Electric Service to the Customer if the Customer does not comply with any of the requirements in Section I.4 or Article II of this Schedule B.

5. Notice of Intent to Reduce Contract Demand

In the event that the Authority determines that the Contract Demand will be wholly or partially reduced pursuant to Sections III.1, III.2, or III.3 of this Schedule B, the Authority shall provide the Customer with at least thirty (30) days prior written notice of the proposed reduction, specifying the amount and reason for the reduction. Before implementing any reduction, the Authority may consider the Customer's scheduled or unscheduled maintenance, Facility upgrade periods, and the business cycle. If, at the end of the thirty (30) day notice period, the Authority determines that a reduction is warranted, it shall provide the Customer with notice of such determination and provide the Customer with sixty (60) days to present a proposed plan with actionable milestones to cure the deficiency. The Authority shall respond to the Customer concerning the acceptability of any proposed plan that is provided in accordance with this Section III.5 within thirty (30) days of the Authority's receipt of such proposed plan. It shall be within the Authority's discretion whether or not to accept the Customer's proposed plan, require a different plan, or implement the reduction of the Contract Demand.

APPENDIX TO SCHEDULE B

BASE EMPLOYMENT LEVEL

The Customer shall employ at least 300 full-time, permanent employees ("Base Employment Level") at the Customer's Facility. The Base Employment Level shall be maintained for the term of the Allocation in accordance with Article I of Schedule B.

CAPITAL INVESTMENT COMMITMENTS

1. **Annual Capital Investment Commitment** (if applicable, as specified below)

    a. Each Reporting Year, the rolling average of the annual capital investments made by the Customer at the Facility ("Rolling Average") shall total not less than **N/A** (the "Annual Capital Investment Commitment"). For purposes of this provision, "Rolling Average" means the three-year average comprised of (1) the total amount of capital investments ("Annual CI Expenditures") made by the Customer at the Facility during the current Reporting Year, and (2) the Annual CI Expenditures made by the Customer at the Facility during the two prior Reporting Years.

    b. Each year, the Customer shall record its Annual CI Expenditures for purposes of enabling the Authority to determine and verify the Rolling Average, which shall be provided to the Authority in a form specified by the Authority on or before the last day of February following the end of the most recent calendar year.

    c. If the Customer's Rolling Average as determined by the Authority is less than 90% of its Annual Capital Investment Commitment for the Reporting Year, the Contract Demand may be reduced by the Authority in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the Rolling Average divided by the Annual Capital Investment Commitment. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

2. **Expansion Project–Capital Investment Commitment** (if applicable, as specified below)

    a. The Customer shall make a minimum capital investment of $52,660,000 to construct, furnish and/or expand the Facility ("Expansion Project Capital Investment Commitment"). The Expansion Project Capital Investment Commitment is expected to consist of the following approximate expenditures on the items indicated:

DESCRIPTION	**EXPENDITURE**
Facility construction costs and establishing an on-site meat storage freezer	$10,210,000
New machinery & equipment purchases	$42,450,000
Total Minimum Expansion Project Capital Investment Commitment:	**$52,660,000**

Total Expansion Project Capital Investment Commitment:

b. The Expansion Project Capital Investment Commitment shall be made, and the Facility shall be completed and fully operational, no later than March 25, 2028 (*i.e.*, within three (3) years of the date of the Authority's award of the Allocation). Upon request of the Customer, such date may be extended in the discretion of the Authority.

SCHEDULE C
TAKEDOWN SCHEDULE

SCHEDULE D
ZERO EMISSION CREDIT CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. WNY-2, or in the Rules.

"Affected LSEs" has the meaning provided in Section II.2 of this Schedule D.

"CES Order" means the Order issued by the PSC entitled "Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

"EP and RP Programs ZEC Costs" has the meaning provided in Section II.4.b of this Schedule D.

"Government Action" has the meaning provided in Section II.8 of this Schedule D.

"Load Serving Entity" or "LSE" has the meaning provided in the CES Order.

"NYSERDA" means the New York State Energy Research and Development Authority.

"Public Service Commission" means the New York State Public Service Commission.

"Renewable Energy Standard" or "RES" means the Renewable Energy Standard adopted by the State in the CES Order.

"RES Compliance Program" means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the EP and RP power programs as authorized in the Power Authority Act.

"State Energy Plan" means the 2015 New York State Energy Plan as amended from time to time.

"Zero Emission Credit" or "ZEC" has the meaning provided in the CES Order.

"Zero Emission Credit Charge" or "ZEC Charge" means the charge to the Customer established in this Schedule D.

"ZEC Purchase Obligation" has the meaning provided in Section II.2 of this Schedule D.

"ZEC Program Year" has the meaning provided in Section II.2 of this Schedule D.

II. ZEC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a ZEC Charge as provided in this Schedule D. The ZEC Charge shall be in addition to all other charges, fees and assessments provided for in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the ZEC Charge.

2. As provided in the CES Order, the Public Service Commission, as part of the CES and Tier 3 of the Renewable Energy Standard, imposed an obligation on Load Serving Entities that are subject to the CES Order ("Affected LSEs") to purchase Zero Emission Credits from NYSERDA in an amount representing the Affected LSE's proportional share of ZECs calculated on the basis of the amount of electric load the LSE serves in relation to the total electric load served by all Load Serving Entities in the New York Control area, to support the preservation of existing at risk nuclear zero emissions attributes in the State (the "ZEC Purchase Obligation"). The ZEC Purchase Obligation is implemented on the basis of program years running from April 1 through March 31 of each year ("ZEC Program Year").

3. The ZEC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of supporting the CES and Tier 3 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan. The Authority will comply with the CES and Tier 3 of the RES by applying a form of ZEC Purchase Obligation to the end-user load for which the Authority serves as a load serving entity, including the load that the Authority serves under the EP and RP power programs.

4. The ZEC Charge, which is intended to recover from the Customer costs that the Authority incurs for purchasing ZECs in quantities that are attributable to the Customer's EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:

    a. The cost of the total ZEC Purchase Obligation for all LSEs in the New York Control Area, including the Authority as a participating load serving entity, will be assessed pursuant to the methodology provided in the CES Order. The Authority will purchase its proportionate share of ZECs from NYSERDA based on the proportion of the forecasted total kilowatt-hours load served by

the Authority (i.e., total Authority LSE load) in relation to the forecasted total kilowatt-hours load served by all LSEs in the New York Control Area as provided in the CES Order. The ZEC Purchase Obligations may be based on initial load forecasts with reconciliations made at the end of each ZEC Program Year by NYSERDA.

b. The Authority will allocate costs from its ZEC Purchase Obligation between its power programs/load for which it serves as load serving entity, including the EP and RP load that it serves (the "EP and RP Programs ZEC Costs"). Such allocation will be based on the forecasted kilowatt-hours load of the EP and RP programs to be served by the Authority in relation to the forecasted total kilowatt-hours load served by the Authority (total Authority LSE load) for each ZEC Program Year. In addition, any balance resulting from the ZEC Program Year-end reconciliation of ZEC Purchase Obligations will be allocated to the EP and RP power programs based on the proportion of the actual annual kilowatt-hours load served under such programs to total actual annual kilowatt-hours load served by the Authority (total Authority LSE load).

c. The Authority will allocate a portion of the EP and RP Programs ZEC Costs to the Customer as the ZEC Charge based on the proportion of the Customer's actual kilowatt-hours load for the EP and/or RP purchased by the Customer to total kilowatt-hours load served by the Authority under the EP and RP power programs (i.e., EP and RP Programs level load). In addition, any balance resulting from the ZEC Program Year-end reconciliation of the ZEC Purchase Obligation referenced above will be passed through to the Customer based on the proportion of the Customer's annual kilowatt-hours load purchased under this Agreement to total annual kilowatt-hours load served under the EP and RP power program by the Authority (EP and RP Programs level load). The ZEC Charge assessed to the Customer shall not include any costs resulting from the Authority's inability to collect a ZEC Charge from any other Authority customer.

5. The Authority may, in its discretion, include the ZEC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the ZEC Charge pursuant to another Authority-established procedure.

6. The Authority may, in its discretion, modify the methodology used for determining the ZEC Charge and the procedures used to implement such ZEC Charge on a nondiscriminatory basis among affected EP and RP customers, upon consideration of such matters as Public Service Commission orders modifying or implementing the CES Order, guidance issued by the New York Department of Public Service, and other information that the Authority reasonably determines to be appropriate to the determination of such methodology. The Authority shall

provide Customer with reasonable notice of any modifications to the methodology or procedures used to determine and implement the ZEC Charge.

7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.

8. If the ZEC Purchase Obligation is modified or terminated by the Public Service Commission or other controlling governmental authority (collectively, "Government Action"), the Authority shall modify or terminate the ZEC Charge, and assess any additional charges or provide any credits to the Customer, to the extent that the Authority determines such actions to be appropriate based on such Government Action.

SCHEDULE E
MONTHLY RENEWABLE ENERGY CREDIT CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. WNY-2, or in the Rules.

"Alternative REC Compliance Program" has the meaning provided in Section III.1 of this Schedule E.

"Annual REC Percentage Target" has the meaning provided in Section II.2 of this Schedule E.

"CES Order" means the Order issued by the Public Service Commission entitled "Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

"Clean Energy Standard" or "CES" means the Clean Energy Standard adopted by the State in the CES Order.

"Load Serving Entity" has the meaning provided in the CES Order.

"Mandatory Minimum Percentage Proportion" has the meaning provided in the CES Order.

"Monthly Renewable Energy Credit Charge" or "Monthly REC Charge" means the monthly charge to the Customer established in this Schedule E.

"NYSERDA" means the New York State Energy Research and Development Authority.

"Public Service Commission" means the New York State Public Service Commission.

"Renewable Energy Credit" or "REC" refers to a qualifying renewable energy credit as described in the CES Order.

"State Energy Plan" means the 2015 New York State Energy Plan as amended from time to time.

"RES Compliance Program" means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the EP and RP power programs as authorized in the Power Authority Act.

"Renewable Energy Standard" or "RES" means the Renewable Energy Standard adopted by the State in the CES Order.

"REC Compliance Measures" mean: (1) the Authority's procurement of RECs from NYSERDA in accordance with NYSERDA procedures and/or the CES Order; (2) the Authority's procurement of RECs from available REC markets; (3) the Authority's procurement of RECs from sources other than those identified in items (1) and (2) of this definition, including through a procurement process adopted by the Authority; and/or (4) any other measure that the PCS authorizes a Load Serving Entity to implement for the purpose of meeting the applicable Mandatory Minimum Percentage Proportion.

"Total Monthly EP-RP Load" has the meaning provided in Section II.3.b of this Schedule E

"Total Monthly REC Costs" has the meaning provided in Section II.3.b of this Schedule E.

II. MONTHLY REC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a Monthly REC Charge as provided in this Schedule E. The Monthly REC Charge is in addition to all other charges, fees and assessments provided in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the Monthly REC Charge.

2. The Monthly REC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of complying with the CES and Tier 1 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan, pursuant to which the Authority will invest in new renewable generation resources to serve its EP and RP customers. Such investments will be made through the procurement of RECs through REC Compliance Measures in quantities that are intended to address the annual Mandatory Minimum Percentage Proportions as applied by the Authority to the total EP and RP load that the Authority will serve each calendar year (the "Annual REC Percentage Target") for the purpose of ultimately meeting the RES.

3. The Monthly REC Charge, which is intended to recover from the Customer costs that the Authority incurs for implementing REC Compliance Measures that are attributable to the Customer's EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:

a. The Authority shall have the right, for each calendar year to implement such REC Compliance Measures as it determines in its discretion to be appropriate for the purpose of meeting the Annual REC Percentage Target for the total EP and RP load that it will serve during such calendar year.

b. The Authority will, for each month of each calendar year, calculate the total costs ("Total Monthly REC Costs") that the Authority has incurred or estimates that it will incur from implementing RES Compliance Measures for the purpose of meeting the Annual REC Percentage Target for the total EP and RP kilowatt-hour load for the month ("Total Monthly EP-RP Load"). The Total Monthly REC Costs may be calculated based on forecasts of the Total Monthly EP-RP Load that the Authority expects to serve for the month, or on a lagged basis based on the actual Total Monthly EP-RP Load that the Authority served for the month.

c. Each month, the Authority will assess to the Customer, as a Monthly REC Charge, which will represent the Customer's share of the Total Monthly REC Costs assessed to the Total Monthly EP-RP Load. The Monthly REC Charge will be assessed as the proportion of the Customer's total kilowatt-hours load served by the Authority for such month to the Total Monthly EP-RP Load served by the Authority for such month, provided, however, that:

   i. the Monthly REC Charge to the Customer shall not include any costs associated with the Authority's inability to collect the Monthly REC Charge from other Authority customers; and

   ii. the effective per-MWh rate of the Monthly REC Charge to the Customer averaged over the REC Program Year to which the Annual REC Percentage Target applies shall not exceed the per-MWh rate of a Monthly REC Charge based on NYSERDA's published REC price for the REC Program Year.

4. The Authority may, in its discretion, include the Monthly REC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the Monthly REC Charge pursuant to another Authority-established procedure.

5. The Authority will, at the conclusion of each calendar year in which it assesses a Monthly REC Charge, conduct a reconciliation process based on the actual costs that it incurred for REC Compliance Measures and actual load served for the year, compared with cost or load estimates or forecasts, if any, that the Authority used to calculate the Customer's Monthly REC Charges during the year. The Authority will issue a credit, or an adjusted final charge for the year, as appropriate, based on the results of such reconciliation process. Any such final charge shall be payable within the time frame applicable to the Authority's bills

for Electric Service under this Agreement or pursuant to any other procedure established by the Authority pursuant to Section II.4 of this Schedule E.

6. Notwithstanding the provisions of Section II.3 of this Schedule E, if Electric Service for the Allocation is commenced after the Authority has implemented REC Compliance Measures for the year in which such Electric Service is commenced, and as a result the Customer's load cannot be accounted for in such REC Compliance Measures, the Authority may in its discretion implement separate REC Compliance Measures in order to meet the Annual REC Percentage Target for Customer's load for the year, and bill the Customer for the costs associated with such separate REC Compliance Measures.

7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer, any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.

III. ALTERNATIVE REC COMPLIANCE PROGRAM

1. Nothing in this Schedule E shall be construed as preventing the Parties from entering into other agreements for an alternative arrangement for the Authority to meet the Annual REC Percentage Target with respect to the Customer's Allocation, including but not limited to Customer self-supply of RECs, alternative REC compliance programs and cost allocation mechanisms, in lieu of the Monthly REC Charge provided in this Schedule E (collectively, "Alternative REC Compliance Program").

2. The Authority shall communicate at least biennially with the Customer concerning implementation of the RES Compliance Program and potential Alternative REC Compliance Programs, if any, that the Authority is offering or expects to offer.

POWER AUTHORITY OF THE STATE OF NEW YORK

30 SOUTH PEARL STREET

ALBANY, NY 12207

Schedule of Rates for Sale of Firm Power Service to Expansion Power and Replacement Power Customers Located in Western New York

Service Tariff No. WNY-2

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Schedule of Rates for Firm Power Service

I. Applicability

To sales of Expansion Power and/or Replacement Power directly to a qualified business Customer for firm power service.

II. Abbreviations and Terms

- kW kilowatt(s)
- kW-mo. kilowatt-month
- kWh kilowatt-hour(s)
- MWh megawatt-hour(s)
- NYISO New York Independent System Operator, Inc. or any successor organization
- PAL New York Public Authorities Law
- OATT Open Access Transmission Tariff issued by the NYISO

Agreement: An executed written agreement between the Authority and the Customer for the sale of Expansion Power and/or Replacement Power to the Customer.

Annual Adjustment Factor or **AAF**: This term shall have the meaning set forth in Section V herein.

Authority: The Power Authority of the State of New York, a corporate municipal instrumentality and a political subdivision of the State of New York created pursuant to Chapter 772 of the New York Laws of 1931 and existing and operating under Title 1 of Article 5 of the PAL, also known as the "New York Power Authority."

Customer: A business entity that has received an allocation of Expansion Power and/or Replacement Power, and that purchases Expansion Power and/or Replacement Power, directly from the Authority.

Electric Service: The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

Expansion Power or **EP** and/or **Replacement Power** or **RP**: Firm Power and Firm Energy made available under this Service Tariff by the Authority from the Project for sale to the Customer for business purposes pursuant to PAL § 1005(5) and (13).

Firm Power: Capacity (kW) that is intended to be always available from the Project subject to the curtailment provisions set forth in the Agreement between the Authority and the Customer and this Service Tariff. Firm Power shall not include peaking power.

Firm Energy: Energy (kWh) associated with Firm Power.

Load Serving Entity or **LSE**: This term shall have the meaning set forth in the Agreement.

Load Split Methodology or **LSM**: A type of billing methodology applicable to a Customer's Allocation which determines how a Customer's total metered usage is apportioned between the power and energy supplied by the Allocation and the Customer's other source of electricity supply, if any. LSM is usually provided for in an agreement between the Authority and the Customer's local electric utility, an agreement between the Authority and the Customer, or an agreement between the Authority, the Customer and the Customer's local electric utility. The load split methodology is often designated as "Load Factor Sharing" or "LFS" , "First through the Meter" or "FTM", "First through the Meter Modified" or "FTM Modified", or "Replacement Power 2" or "RP 2".

Project: The Authority's Niagara Power Project, FERC Project No. 2216.

Rate Year or **RY**: The period from July 1 through June 30. For example, RY 2018 refers to July 1, 2018 through June 30, 2019.

Rules: The Authority's rules and regulations set forth in 21 NYCRR § 450 *et seq*., as they may be amended from time to time.

Service Tariff: This Service Tariff No. WNY-2.

All other capitalized terms and abbreviations used in this Service Tariff but not defined in this Section or other provisions of this Service Tariff shall have the same meaning as set forth in the Agreement.

III. Monthly Rates and Charges

A. Expansion Power (EP) and Replacement Power (RP) Base Rates

The rates to be charged to the Customer by the Authority shall be as follows:

Billing Period	Demand ($/kW)	Energy ($/MWh)
January – June 2019	7.60	13.00

1. For RY 2019 (July 2019 through June 2020 Billing Periods), 50% of the Annual Adjustment Factor ("AAF"), as described in Section V, will be applied to the demand and energy rates stated in the table above.
2. For RY 2020 (July 2020 through June 2021 Billing Periods) and each Rate Year thereafter, the AAF will be applied to the then-effective base rates for demand and energy in accordance with Section V.

B. EP and RP Rates no Lower than Rural/Domestic Rate

At all times the applicable base rates for demand and energy determined in accordance with Sections III.A and V of this Service Tariff shall be no lower than the rates charged by the Authority for the sale of hydroelectricity for the benefit of rural and domestic customers receiving service in accordance with the Niagara Redevelopment Act, 16 U.S.C. § 836(b)(1) (the "Rural/Domestic Rate"). This provision shall be implemented as follows: if the base rates, as determined in accordance with Sections III.A and V of this Service Tariff, are lower than the Rural/Domestic Rate on an average $/MWh basis, each set of rates measured at 80% load factor which is generally regarded as representative for EP and RP Customers, then the base rates determined under Sections III.A and V of this Service Tariff will be revised to make them equal to the Rural/Domestic Rate on an average $/MWh basis. However, the base rates as so revised will have no effect until such time as these base rates are lower than the Rural/Domestic Rate.

C. Monthly Base Rates Exclude Delivery Service Charges

The monthly base rates set forth in this Section III exclude any applicable costs for delivery services provided by the local electric utility.

D. Minimum Monthly Charge

The Minimum Monthly Charge shall equal the product of the demand charge and the Contract Demand (as defined herein). Such Minimum Monthly Charge shall be in addition to any NYISO Charges or Taxes (each as defined herein) incurred by the Authority with respect to the Customer's Allocation.

E. Estimated Billing

If the Authority, in its discretion, determines that it lacks reliable data on the Customer's actual demand and/or energy usage for a Billing Period during which the Customer receives Electric Service from the Authority, the Authority shall have the right to render a bill to the Customer for such Billing Period based on estimated demand and estimated usage ("Estimated Bill").

For the purpose of calculating a Billing Demand charge for an Estimated Bill, the demand charge will be calculated based on the Load Split Methodology that is applicable to the Customer as follows:

- For Customers whose Allocation is subject to a Load Factor Sharing/LFS LSM, the estimated demand (kW) will be calculated based on an average of the Customer's Billing Demand (kW) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated demand (kW) value for the Estimated Bill will equal the Customer's takedown (kW) amount.

- For Customers whose Allocation is subject to a First through the Meter/ FTM, FTM Modified, or RP 2 LSM, the estimated demand (kW) value will equal the Customer's takedown (kW) amount.

For the purpose of calculating a Billing Energy charge for an Estimated Bill, the energy charge will be calculated based on the Customer's Load Split Methodology as follows:

- For Customers whose Allocation is subject to a Load Factor Sharing/LFS LSM, the estimated energy (kWh) will be based on the average of the Customer's Billing Energy (kWh) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated energy value (kWh) will be equal to the takedown (kW) amount at 70 percent load factor for that Billing Period.

- For Customers whose Allocation is subject to a First through the Meter/FTM, FTM Modified, or RP 2 LSM, the estimated energy (kWh) will be equal to the takedown (kW) amount at 100 percent load factor for that Billing Period.

If data indicating the Customer's actual demand and usage for any Billing Period in which an Estimated Bill was rendered is subsequently provided to the Authority, the Authority will make necessary adjustments to the corresponding Estimated Bill and, as appropriate, render a revised bill (or provide a credit) to the Customer.

The Minimum Monthly Charge provisions of Section III.D shall apply to Estimated Bills.

The Authority's discretion to render Estimated Bills is not intended and shall not be construed to limit the Authority's rights under the Agreement.

F. Adjustments to Charges

In addition to any other adjustments provided for in this Service Tariff, in any Billing Period, the Authority may make appropriate adjustments to billings and charges to address such matters as billing and payment errors, and the receipt of actual, additional, or corrected data concerning Customer energy or demand usage.

G. Billing Period

The Billing Period is any period of approximately thirty (30) days, generally ending with the last day of each calendar month but subject to the billing cycle requirements of the local electric utility in whose service territory the Customer's facilities are located.

H. Billing Demand

Billing Demand shall be determined by applying the applicable billing methodology to total meter readings during the Billing Period. See Section IV.E, below.

I. Billing Energy

Billing Energy shall be determined by applying the applicable billing methodology to total meter readings during the Billing Period. See Section IV.E, below.

J. Contract Demand

The Contract Demand will be the amount of Expansion Power and/or Replacement Power, not to exceed the Allocation, provided by the Authority to the Customer in accordance with the Agreement

IV. General Provisions

A. Character of Service

Alternating current; sixty cycles, three-phase.

B. Availability of Energy

1. Subject to Section IV.B.2, the Authority shall provide to the Customer in any Billing Period Firm Energy associated with Firm Power. The offer of Firm Energy for delivery shall fulfill the Authority's obligations for purposes of this provision whether or not the Firm Energy is taken by the Customer.

2. In the event of an Adverse Water Condition, the rights and obligations of the Customer and Authority, including but not limited to such matters as Substitute Energy, Customer-Arranged Energy and responsibility for payment of costs associated therewith, will be governed by Article IX of the Agreement.

C. Delivery

For the purpose of this Service Tariff, Firm Power and Firm Energy shall be deemed to be offered when the Authority is able to supply Firm Power and Firm Energy to the Authority's designated NYISO load bus. If, despite such offer, there is a failure of delivery caused by the Customer, NYISO or local electric utility, such failure shall not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules.

D. Adjustment of Rates

To the extent not inconsistent with the Agreement, the base rates contained in this Service Tariff may be revised from time to time on not less than thirty (30) days written notice to the Customer.

E. Billing Methodology

Unless otherwise specified in the Agreement, the following provisions shall apply:

1. The billing methodology used to determine the amount of Firm Power and Firm Energy to be billed to the Customer related to its Allocation shall be Load Factor Sharing ("LFS") in a manner consistent with the Agreement and any applicable delivery agreement between the Authority and the Customer's local electric utility or both as determined by the Authority. An alternative billing methodology may be used provided the Customer and the Authority agree in writing and the Customer's local electric utility provides its consent if the Authority determines that such consent is necessary.

2. Billing Demand –The Billing Demand charged by the Authority to each Customer will be the highest 15 or 30-minute integrated demand, as determined by the Customer's local electric utility, during each Billing Period recorded on the Customer's meter multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer's local electric utility provides its consent if the Authority determines that such consent is necessary. Billing Demand may not exceed the amount of the Contract Demand.

3. Billing Energy –The kilowatt-hours charged by the Authority to each Customer will be the total number of kilowatt-hours recorded on the Customer's meter for the Billing Period multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer's local electric utility provides its consent if the Authority determines that such consent is necessary.

4. With regard to LFS methodology calculations:

    a. For every hour of the Billing Period, the Customer receives hydropower energy (Firm Energy) equal to the hourly metered load multiplied by the ratio of Customer's Contract Demand divided by the maximum hourly metered load value recorded in a given Billing Period, such ratio not to exceed the value of 1.
    b. When the maximum hourly metered demand for the Billing Period is less than or equal to the Contract Demand, all of the Customer's metered load will be supplied by Firm Energy.
    c. When the maximum hourly metered demand for the Billing Period is greater than the Contract Demand, the portion of the Customer's metered load to be supplied by Firm Energy is as follows:
        i. <u>For Customer with hourly billing:</u> the sum of the values, for each hour of the Billing Period, of the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the hourly metered energy consumption.
        ii. <u>For Customer with monthly billing:</u> the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the total metered energy consumption during the Billing Period.
    d. All demand values will be adjusted for losses.

F. Payment by Customer to Authority

1. Demand and Energy Charges, Taxes

The Customer shall pay the Authority for Firm Power and Firm Energy during any Billing Period the higher of either (i) the sum of (a), (b) and (c) below, or (ii) the Minimum Monthly Charge (as defined herein):

a. The demand charge per kilowatt for Firm Power specified in this Service Tariff or any modification thereof applied to the Customer's Billing Demand (as defined in Section IV.E, above) for the Billing Period; and

b. The energy charge per MWh for Firm Energy specified in this Service Tariff or any modification thereof applied to the Customer's Billing Energy (as defined in Section IV.E, above) for the Billing Period; and

c. A charge representing reimbursement to the Authority for all applicable Taxes incurred by the Authority as a result of providing Expansion Power and/or Replacement Power allocated to the Customer.

2. Transmission Charge

The Customer shall compensate the Authority for all transmission costs incurred by the Authority with respect to the Allocation, including such costs that are charged pursuant to the OATT.

3. NYISO Transmission and Related Charges

The Customer shall compensate the Authority for the following NYISO transmission and related charges (collectively, "NYISO Charges") assessed on the Authority for services provided by the NYISO pursuant to its OATT or other tariffs (as the provisions of those tariffs may be amended and in effect from time to time) associated with providing Electric Service to the Customer:

A. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time;

B. Marginal losses;

C. The New York Power Authority Transmission Adjustment Charge ("NTAC");

D. Congestion costs inclusive of any rents collected or owed due to any associated grandfathered transmission congestion contracts as provided in Attachment K of the OATT;

E. Any and all other charges, assessments, or other amounts associated with deliveries to Customers or otherwise associated with the Authority's responsibilities as a Load Serving Entity for the Customers that are assessed on the Authority by the NYISO under the provisions of its OATT or under other applicable tariffs; and

F. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO's Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another party.

The NYISO Charges, if any, incurred by the Authority on behalf of the Customer, are in addition to the Authority production charges that are charged to the Customer in accordance with other provisions of this Service Tariff.

The method of billing NYISO charges to the Customer will be based on Authority's discretion.

4. Taxes Defined

Taxes shall be any adjustment as the Authority deems necessary to recover from the Customer any taxes, assessments or any other charges mandated by federal, state or local agencies or authorities that are levied on the Authority or that the Authority is required to collect from the Customer if and to the extent such taxes, assessments or charges are not recovered by the Authority pursuant to another provision of this Service Tariff.

5. Substitute Energy

The Customer shall pay for Substitute Energy, if applicable, as specified in the Agreement.

6. Payment Information

Bills computed under this Service Tariff are due and payable by electronic wire transfer in accordance with the Rules. Such wire transfer shall be made to J P Morgan Chase NY, NY / ABA021000021 / NYPA A/C # 008-030383, unless otherwise indicated in writing by the Authority. The Authority may in its discretion change the foregoing account and routing information upon notice to the Customer.

7. Billing Disputes

In the event that there is a dispute on any items of a bill rendered by the Authority, the Customer shall pay such bill in full. If necessary, any adjustments will be made thereafter.

G. Rendition and Payment of Bills

1. The Authority will render bills to the Customer for Electric Service on or before the tenth (10^{th}) business day of the month for charges due for the previous Billing Period. Such bills shall include charges for Electric Service, NYISO Charges associated with the Allocation (subject to adjustment consistent with any later NYISO re-billings to the Authority), and all other applicable charges, and are subject to adjustment as provided for in the Agreement, the Service Tariff and the Rules.

2. The Authority will charge and collect from the Customer all Taxes (including local, state and federal taxes) the Authority determines are applicable, unless the Customer furnishes the Authority with proof satisfactory to the Authority that (i) the Customer is exempt from the payment of any such Taxes, and/or (ii) the Authority is not obligated to collect such Taxes from the Customer. If the Authority is not collecting Taxes from the Customer based on the circumstances described in (i) or (ii) above, the Customer shall immediately inform the Authority of any change in circumstances relating to its tax status that would require the Authority to charge and collect such Taxes from the Customer.

3. Unless otherwise agreed to by the Authority and the Customer in writing, the Authority will render bills to the Customer electronically.

4. Payment of bills by the Customer shall be due and payable by the Customer within twenty (20) days of the date the Authority renders the bill.

5. Except as otherwise agreed by the Authority in writing, if the Customer fails to pay any bill when due an interest charge of two percent of the amount unpaid will be added thereto as liquidated damages, and thereafter, as further liquidated damages, an additional interest charge of one and one-half percent of the sum unpaid shall be added on the first day of each succeeding Billing Period until the amount due, including interest, is paid in full.

6. If at any time after commencement of Electric Service the Customer fails to make complete payment of any two (2) bills for Electric Service when such bills become due pursuant to Agreement, the Authority shall have the right to require that the Customer deposit with the Authority a sum of money in an amount equal to all charges that would be due under this Agreement for Electric Service for two (2) consecutive calendar months as estimated by the Authority. Such deposit will be deemed security for the payment of unpaid bills and/or other claims of the Authority against the Customer upon termination of Electric Service. The failure or refusal of the Customer to provide the deposit within thirty (30) days of a request for such deposit will be grounds for the Authority in its discretion to suspend Electric Service to the Customer or terminate the Agreement.

   Unless otherwise agreed to by the Authority and the Customer in writing, in the event the Customer disputes any item of any bill rendered by Authority, the Customer shall pay such bill in full within the time provided for by this Agreement, and adjustments, if appropriate, will be made thereafter.

H. Adjustment of Charges – Distribution Losses

The Authority will make appropriate adjustments to compensate for distribution losses of the local electric utility.

I. Conflicts

In the event of any inconsistencies, conflicts, or differences between the provisions of this Service Tariff and the Rules, the provisions of this Service Tariff shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of the Agreement and this Service Tariff or the Rules, the provisions of the Agreement shall govern.

V. Annual Adjustment Factor

A. Adjustment of Rates

1. The AAF will be based upon a weighted average of three indices described below. For each new Rate Year, the index value for the latest available calendar year ("Index Value for the Measuring Year") will be compared to the index value for the calendar year immediately preceding the latest available calendar year (the Index Value for the Measuring Year -1"). The change for each index will then be multiplied by the indicated weights. As described in detail below, these products are then summed, producing the AAF. The AAF will be multiplied by the base rate for the current Rate Year to produce the base rates for the new Rate Year, subject to a maximum adjustment of ±5.0% ("±5% Collar"). Amounts outside the ±5% Collar shall be referred to as the "Excess."

   Index 1, "BLS Industrial Power Price" (35% weight): The average of the monthly Producer Price Index for Industrial Electric Power, commodity code number 0543, not seasonally adjusted, as reported by the U.S. Department of Labor, Bureau of Labor Statistics ("BLS") electronically on its internet site and consistent with its printed publication, "Producer Price Index Detailed Report". For Index 1, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

   Index 2, "EIA Average Industrial Power Price" (40% weight): The average weighted annual price (as measured in cents/kWh) for electric sales to the industrial sector in the ten states of CT, MA, ME, NH, NJ, NY, OH, PA, RI and VT ("Selected States") as reported by Coal and Electric Data and Renewables Division; Office of Coal, Nuclear, Electric and Alternate Fuels; Energy Information Administration ("EIA"); U.S. Department of Energy Form EIA-861 Final Data File. For Index 2, the Index Value for the Measuring Year will be the index for the calendar year two years preceding July 1 of the new Rate Year.

   Index 3, "BLS Industrial Commodities Price Less Fuel" (25% weight): The monthly average of the Producer Price Index for Industrial Commodities less fuel, commodity code number 03T15M05, not seasonally adjusted, as reported by the U.S. Department of Labor, BLS electronically on its internet site and consistent with its printed publication, "Producer Price Index Detailed Report". For Index 3, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

2. Annual Adjustment Factor Computation Guide

   Step 1: For each of the three Indices, divide the Index Value for Measuring Year by the Index Value for the Measuring Year-1.

   Step 2: Multiply the ratios determined in Step 1 by percentage weights for each Index. Sum the results to determine the weighted average. This is the AAF.

   Step 3: Commencing RY 2014, modifications to the AAF will be subject to ±5% Collar, as described below.

   a) When the AAF falls outside the ±5% Collar, the Excess will be carried over to the subsequent RY. If the AAF in the subsequent RY is within the ±5% Collar, the current RY Excess will be added to/subtracted from the subsequent Rate Year's AAF, up to the ±5% Collar.

b) Excesses will continue to accrue without limit and carry over such that they will be added to/subtracted from the AAF in any year where the AAF is within the ±5% Collar.

Step 4: Multiply the current Rate Year base rate by the AAF calculated in Step 2 to determine the new Rate Year base rate.

The foregoing calculation shall be performed by the Authority consistent with the sample presented in Section V.B below.

3. Subject to the provisions of Section III.A of this Service Tariff, the Authority shall provide the Customer with notice of any adjustment to the current base rate per the above and with all data and calculations necessary to compute such adjustment by June 15th of each year to be effective on July 1 of such year, commencing in 2014. The values of the latest officially published (electronically or otherwise) versions of the indices and data provided by the BLS and EIA as of June 1 shall be used notwithstanding any subsequent revisions to the indices.

4. If during the term of the Agreement any of the three above indices ceases to be available or ceases to be reflective of the relevant factors or of changes which the indices were intended to reflect, the Customer and the Authority may mutually select a substitute Index. The Customer and the Authority agree to mutually select substitute indices within 90 days, once one of them is notified by the other that the indices are no longer available or no longer reflect the relevant factors or changes which the indices were intended to reflect. Should the 90-day period cover a planned July 1 rate change, the current base rates will remain in effect until substitute indices are selected and the adjusted rates based on the substitute indices will be retroactive to the previous July 1. If the Customer and Authority are unable to reach agreement on substitute indices within the 90-day period, the Customer and the Authority agree to substitute the mathematic average of the PPI—Intermediate Materials, Supplies and Components (BLS Series ID WPUSOP2000) and the PPI-- Finished Goods (BLS Series ID WPUSOP3000) indices for one or more indices that have ceased to be available or reflective of their intended purpose and shall assume the percentage weighting(s) of the one or more discontinued indices as indicated in Section V.A.1.

B. Sample Computation of the AAF (hypothetical values for July 1, 2014 implementation):

STEP 1

Determine the Index Value for the Measuring Year (MY) and Measuring Year - 1 (MY-1) for Each Index

- Index 1 - Producer Price Index, Industrial Power

	Measuring Year (2013)	Measuring Year - 1 (2012)
January	171.2	167.8
February	172.8	167.6
March	171.6	168.2
April	173.8	168.6
May	175.1	171.6
June	185.7	180.1
July	186.4	182.7
August	184.7	179.2
September	185.5	181.8
October	175.5	170.2
November	172.2	168.8
December	171.8	166.6
Average	177.2	172.8
Ratio of MY/MY-1		**1.03**

- Index 2 – EIA Industrial Rate

State	Revenues ($000s)	Sales (MWh)	Avg. Rate (cents/kWh)
Measuring Year (2012)			
CT	590,972	6,814,757	
MA	1,109,723	13,053,806	
ME	328,594	4,896,176	
NH	304,363	2,874,495	
NJ	1,412,665	15,687,873	
NY	2,001,588	26,379,314	
OH	3,695,978	78,496,166	
PA	3,682,192	63,413,968	
RI	152,533	1,652,593	
VT	155,903	2,173,679	
TOTAL	13,434,511	215,442,827	**6.24**
Measuring Year -1 (2011)			
CT	579,153	6,678,462	
MA	1,076,431	12,662,192	
ME	310,521	4,626,886	
NH	298,276	2,817,005	
NJ	1,370,285	15,217,237	
NY	1,891,501	24,928,452	
OH	3,622,058	76,926,243	
PA	3,571,726	61,511,549	
RI	144,144	1,561,700	
VT	152,785	2,130,205	
TOTAL	13,016,880	209,059,931	**6.23**
Ratio of MY/MY-1			**1.00**

- Index 3 – Producer Price Index, Industrial Commodities Less Fuel

	Measuring Year (2013)	Measuring Year -1 (2012)
January	190.1	187.2
February	190.9	188.0
March	191.6	188.7
April	192.8	189.9
May	194.7	191.8
June	195.2	192.3
July	195.5	192.3
August	196.0	193.1
September	196.1	193.2
October	196.2	193.8
November	196.6	193.7
December	196.7	194.0
Average	194.4	191.5
Ratio of MY/MY-1		**1.02**

STEP 2

Determine AAF by Summing the Weighted Indices

Index	Ratio of MY to MY-1	Weight	Weighted Factors
PPI Industrial Power	1.03	0.35	0.361
EIA Industrial Rate	1.00	0.40	0.400
PPI Industrial Commodities less fuel	1.02	0.25	0.255
AAF			**1.016**

STEP 3

Apply Collar of ±5.0% to Determine the Maximum/Minimum AAF.

-5.0% < 1.6% < 5.0%; collar does not apply, assuming no cumulative excess.

STEP 4

Apply AAF to Calculate the New Rate Year Base Rate

	Demand $/kW-mo.	Energy $/MWh
Current Rate Year Base Rate	7.56	12.91
New Rate Year Base Rate	7.68	13.12

Exhibit B
July 29, 2025

POWER AUTHORITY

OF THE

STATE OF NEW YORK

30 South Pearl Street
10th Floor
Albany, New York 12207-3425

AGREEMENT FOR THE SALE OF EXPANSION POWER AND/OR REPLACEMENT POWER

Rosina Food Products, Inc.

The POWER AUTHORITY OF THE STATE OF NEW YORK ("Authority"), created pursuant to Chapter 772 of the New York Laws of 1931 and existing under Title I of Article V of the New York Public Authorities Law ("PAL"), having its office and principal place of business at 30 South Pearl Street, 10th Floor, Albany, New York 12207-3425, hereby enters into this Agreement for the Sale of Expansion Power and/or Replacement Power ("Agreement") with Rosina Food Products, Inc. ("Customer") with offices and principal place of business at 3100 Clinton Street, West Seneca, NY 14224. The Authority and the Customer are from time to time referred to in this Agreement as "Party" or collectively as "Parties" and agree as follows:

RECITALS

WHEREAS, the Authority is authorized to sell hydroelectric power produced by the Niagara Power Project, Federal Energy Regulatory Commission ("FERC") Project No. 2216, including hydropower known as Expansion Power ("EP") and Replacement Power ("RP") to qualified businesses in accordance with PAL § 1005(5) and (13);

WHEREAS, the Customer has applied for an allocation of EP and/or RP, or for an extension of an existing allocation of EP or RP, for use at facilities defined in this Agreement as the "Facility";

WHEREAS, the Customer has offered to make specific commitments relating to, among other things, the creation and/or retention of jobs, capital investments, power usage and energy efficiency measures at the Facility;

WHEREAS, the Authority's Board of Trustees approved an allocation of EP and/or RP to the Customer;

WHEREAS, the Parties have reached an agreement on the terms and conditions applicable for the sale of the EP and/or RP for a term provided in this Agreement;

WHEREAS, the Authority's provision of Electric Service under this Agreement is an unbundled service separate from (i) the transmission of the allocation, and (ii) the delivery of the Allocation;

WHEREAS, electric service to be provided hereunder shall be subject to the rates and other terms and conditions contained in the Service Tariff No. WNY-2 as provided in this Agreement;

WHEREAS, the Authority has complied with requirements of PAL § 1009, and has been authorized to execute the Agreement; and

WHEREAS, the Authority has complied with requirements of PAL § 1009, and has been authorized to execute the Agreement.

NOW, THEREFORE, in consideration of mutual covenants, terms, and conditions herein, and for other good and valuable consideration, the receipt and adequacy of which the Parties hereby acknowledge, the Parties do hereby mutually covenant and agree as follows:

ARTICLE I
DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Agreement, shall have the meanings as set forth below. When used with initial capitalization, whether singular or plural, terms defined in schedules or appendices to this Agreement shall have the meanings set forth in such schedules or appendices.

"Adverse Water Condition" means any event or condition, including without limitation a hydrologic or hydraulic condition, that relates to the flow, level, or usage of water at or in the vicinity of the Project and/or its related facilities and structures, and which prevents, threatens to prevent, or causes the Authority to take responsive action that has the effect of preventing, the Project from producing a sufficient amount of energy to supply the full power and energy requirements of firm power and firm energy customers who are served by the Project.

"Agreement" means this Agreement, and unless otherwise indicated herein, includes all schedules, appendices and addenda thereto, as the same may be amended from time to time.

"Allocation" refers to the allocation(s) of EP and/or RP awarded to the Customer as specified in Schedule A.

"Alternative REC Compliance Program" has the meaning provided in Schedule E.

"Annual Capital Investment Commitment" has the meaning set forth in Schedule B.

"Annual CI Expenditures" has the meaning set forth in Schedule B.

"Base Employment Level" has the meaning set forth in Schedule B.

"Contract Demand" is as defined in Service Tariff No. WNY-2.

"Customer-Arranged Energy" means energy that the Customer procures from sources other than the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment.

"Effective Date" means the date that this Agreement is fully executed by the Parties.

"Electric Service" is the Firm Power and Firm Energy associated with the Allocation and sold by the Authority to the Customer in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.

"Energy Services" has the meaning set forth in Article V of this Agreement.

"Expansion Power" (or "EP") is 250 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(13).

"Expansion Project" has the meaning set forth in Section IV.3.a of this Agreement.

"Expansion Project Capital Investment Commitment" has the meaning set forth in Schedule B.

"Facility" means the Customer's facilities as described in Schedule A to this Agreement.

"Firm Power" is as defined in Service Tariff No. WNY-2.

"Firm Energy" is as defined in Service Tariff No. WNY-2.

"FERC" means the Federal Energy Regulatory Commission (or any successor organization).

"FERC License" means the first new license issued by FERC to the Authority for the continued operation and maintenance of the Project, pursuant to Section 15 of the Federal Power Act, which became effective September 1, 2007 after expiration of the Project's original license which became effective in 1957.

"Hydro Projects" is a collective reference to the Project and the Authority's St. Lawrence-FDR Project, FERC Project No. 2000.

"International Joint Commission" or "IJC" refers to the entity with responsibility to prevent and resolve disputes between the United States of America and Canada under the *1909 Boundary Waters Treaty* and pursues the common good of both countries as an independent and objective advisor to the two governments. The IJC rules upon applications for approval of projects affecting boundary or transboundary waters and may regulate the operation of these projects.

"Load Reduction" has the meaning set forth in Section IX.6 of this Agreement.

"Load Serving Entity" (or "LSE") means an entity designated by a retail electricity customer (including the Customer) to provide capacity, energy and ancillary services to serve such customer, in compliance with NYISO Tariffs, rules, manuals and procedures.

"Metering Arrangement" has the meaning set forth in Section II.8 of this Agreement.

"NYEM" means the New York Energy Manager, an energy management center owned and operated by the Authority.

"NYEM Agreement" means a written agreement between the Authority and the Customer providing for the Facility's enrollment and Customer's participation in NYEM.

"NYEM Participation" has the meaning specified in Schedule B of this Agreement.

"NYISO" means the New York Independent System Operator or any successor organization.

"NYISO Charges" has the meaning set forth in Section VII.3 of this Agreement.

"NYISO Tariffs" means the NYISO's Open Access Transmission Tariff or the NYISO's Market Administration and Control Area Services Tariff, as applicable, as such tariffs are modified from time to time, or any successor to such tariffs.

"Planned Hydropower Curtailment" means a temporary reduction in Firm Energy to which the Customer is entitled to receive under this Agreement made by the Authority in response to an anticipated or forecasted Adverse Water Condition.

"Physical Energy Audit" or "Audit" means a physical evaluation of the Facility in a manner approved by the Authority that includes at a minimum the following elements: (a) an assessment of the Facility's energy use, cost and efficiency which produces an energy utilization index for the Facility (such as an Energy Use Intensity or Energy Performance Indicator); (b) a comparison of the Facility's index to indices for similar buildings/facilities; (c) an analysis of low-cost/no-cost measures for improving energy efficiency; (d) a listing of potential capital improvements for improving energy consumption; and (e) an initial assessment of potential costs and savings from such measures and improvements.

"Project" means the Niagara Power Project, FERC Project No. 2216.

"Replacement Power" (or "RP") is 445 MW of Firm Power and associated Firm Energy from the Project eligible to be allocated by the Authority for sale to businesses pursuant to PAL § 1005(13).

"Reporting Year" means the yearly interval that the Authority uses for reporting, compliance and other purposes as specified in this Agreement. The Reporting Year for this Agreement is from January 1 through December 31, subject to change by the Authority without notice.

"Rolling Average" has the meaning set forth in Schedule B.

"Rules" are the applicable provisions of Authority's rules and regulations (Chapter X of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York), as may be modified from time to time by the Authority.

"Service Information" has the meaning set forth in Section II.12 of this Agreement.

"Service Tariff No. WNY-2" means the Authority's Service Tariff No. WNY-2, as may be modified from time to time by the Authority, which contains, among other things, the rate schedule establishing rates and other commercial terms for sale of Electric Service to Customer under this Agreement.

"Schedule A" refers to the Schedule A entitled "Expansion Power and/or Replacement Power Allocations" which is attached to and made part of this Agreement.

"Schedule B" refers to the Schedule B entitled "Supplemental Expansion Power and/or Replacement Power Commitments" which is attached to and made part of this Agreement, including any appendices attached thereto.

"Schedule C" refers to the Schedule C entitled "Takedown Schedule" which is attached to and made part of this Agreement.

"Schedule D" refers to the Schedule D entitled "Zero Emission Credit Charge" which is attached to and made part of this Agreement.

"Schedule E" refers to the Schedule E entitled "Monthly Renewable Energy Credit Charge" which is attached to and made part of this Agreement.

"Substitute Energy" means energy that is provided to the Customer by or through the Authority for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment or an Unplanned Hydropower Curtailment.

"Takedown" means the portion of the Allocation that Customer requests to be scheduled for a specific period as provided for in Schedule C, if applicable.

"Taxes" is as defined in Service Tariff No. WNY-2.

"Unforced Capacity" (or "UCAP") means the electric capacity required to be provided by LSEs to serve electric load as defined by the NYISO Tariffs, rules, manuals and procedures.

"Unplanned Hydropower Curtailment" means a temporary reduction in the amount of Firm Energy to which the Customer is entitled to receive under this Agreement due to Adverse Water Condition that the Authority did not anticipate or forecast.

"Utility Tariff" means the retail tariff(s) of the Customer's local electric utility filed and approved by the PSC applicable to the delivery of EP and/or RP.

ARTICLE II
ELECTRIC SERVICE

1. The Authority shall make available Electric Service to enable the Customer to receive the Allocation in accordance with this Agreement, Service Tariff No. WNY-2 and the Rules.

2. The Customer shall not be entitled to receive Electric Service under this Agreement for any EP and/or RP allocation unless such EP and/or RP allocation is identified in Schedule A.

3. The Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation specified in Schedule A. If Schedule C specifies a Takedown Schedule for the Allocation, the Authority will provide, and the Customer shall accept and pay for, Electric Service with respect to the Allocation in accordance with such Takedown Schedule.

4. The Authority shall provide UCAP in amounts necessary to meet the Customer's NYISO UCAP requirements associated with the Allocation in accordance with the NYISO Tariffs. The Customer shall be responsible to pay the Authority for such UCAP in accordance with Service Tariff No. WNY-2.

5. The provision of Electric Service associated with the Allocation is an unbundled service separate from the transmission and delivery of power and energy to the Customer. The Customer acknowledges and agrees that Customer's local electric utility, not the Authority, shall be responsible for delivering the Allocation to the Facility specified in Schedule A in accordance with the applicable Utility Tariff(s).

6. The Contract Demand for the Customer's Allocation may be modified by the Authority if the amount of Firm Power and Firm Energy available for sale as EP or RP from the Project is modified as required to comply with any ruling, order, or decision of any regulatory or judicial body having jurisdiction, including but not limited to FERC. Any such modification will be made on a pro rata basis to all EP and RP customers, as applicable, based on the terms of such ruling, order, or decision.

7. The Contract Demand may not exceed the Allocation.

8. The Customer's Facility must be metered by the Customer's local electric utility in a manner satisfactory to the Authority, or another metering arrangement satisfactory to the Authority must be provided (collectively, "Metering Arrangement"). A Metering Arrangement that is not satisfactory to the Authority shall be grounds, after notice to the Customer, for the Authority to modify, withhold, suspend, or terminate Electric Service to the Customer. If a Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination that it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. After commencement of Electric Service, the Customer shall notify the Authority in writing within thirty (30) days of any alteration to the Facility's Metering Arrangement, and provide any information requested by the Authority (including Facility access) to enable the Authority to determine whether the Metering Arrangement remains satisfactory. If an altered Metering Arrangement is not made to conform to the Authority's requirements within thirty (30) days of a determination it is unsatisfactory, the Authority may modify, withhold, suspend, or terminate Electric Service on at least ten (10) days' prior written notice to the Customer. The Authority may, in its discretion, waive any of the requirements provided for in this Section in whole or in part where in the Authority's judgment, another mechanism satisfactory to the Authority can be implemented to enable the Authority to receive pertinent, timely and accurate information relating to the Customer's energy consumption and demand and render bills to the Customer for all fees, assessments and charges that become due in accordance with this Agreement, Service Tariff No. WNY-2, and the Rules.

9. The Customer consents to the exchange of information between the Authority and the Customer's local electric utility pertaining to the Customer that such parties determine is necessary to provide for the allocation, sale and delivery of the Allocation to the Customer, the proper and efficient implementation of the EP and/or RP program, billing related to Electric Service, and/or the performance of such parties' obligations under any contracts or other arrangements between them relating to such matters. In addition, the Customer agrees to complete such forms and consents that the Authority determines are necessary to effectuate such exchanges of information.

10. The provision of Electric Service by the Authority shall be dependent upon the existence of a written agreement between the Authority and the Customer's local electric utility providing for the delivery of the Allocation on terms and conditions that are acceptable to the Authority.

11. The Customer understands and acknowledges that the Authority may from time to time require the Customer to complete forms, execute consents, and provide information (collectively, "Service Information") that the Authority determines is necessary for the provision of Electric Service, the delivery of the Allocation, billing related to Electric Service, the effective administration of the EP and/or RP programs, and/or the performance of contracts or other arrangements between the Authority and the Customer's local electric utility. The Customer's failure to provide Service Information on a timely basis shall be grounds for the Authority in its discretion to modify, withhold, suspend, or terminate Electric Service to the Customer.

ARTICLE III
RATES, TERMS AND CONDITIONS

1. Electric Service shall be sold to the Customer in accordance with the rates, terms and conditions provided for in this Agreement, Service Tariff No. WNY-2 and the Rules. The Authority agrees to waive the Minimum Monthly Charge set forth in Service Tariff No. WNY-2 for a period up to one (1) year upon written request from the Customer that is accompanied by information that demonstrates to the Authority's satisfaction a short-term reduction or interruption of Facility operations due to events beyond the Customer's control. The Customer shall provide such information that the Authority requests during the period of any such waiver to enable the Authority to periodically evaluate the ongoing need for such waiver.

2. If the Authority at any time during the term of this Agreement enters into an agreement with another customer for the sale of EP or RP at power and energy rates that are more advantageous to such customer than the power and energy rates provided in this Agreement and Service Tariff No. WNY-2, then the Customer, upon written request to the Authority, will be entitled to such more advantageous power and energy rates in the place of the power and energy rates provided in this Agreement and Service Tariff No. WNY-2 effective from the date of such written request, provided, however, that the foregoing provision shall not apply to:

    a. any agreement for the sale of EP and/or RP with an Authority customer whose purchase of EP and/or RP is associated with an Authority service tariff other than Service Tariff No. WNY-2, including Authority Service Tariff No. WNY-1; or

    b. any agreement for the sale of EP and/or RP with an Authority customer which is associated with such customer's participation in an Alternative REC Compliance Program provided for in Schedule E of this Agreement.

3. Notwithstanding any provision of this Agreement to the contrary, the power and energy rates for Electric Service shall be subject to increase by Authority at any time upon 30 days prior written notice to Customer if, after consideration by Authority of its legal obligations, the marketability of the output or use of the Project and Authority's competitive position with

respect to other suppliers, Authority determines in its discretion that increases in rates obtainable from any other Authority customers will not provide revenues, together with other available Authority funds not needed for operation and maintenance expenses, capital expenses, and reserves, sufficient to meet all requirements specified in Authority's bond and note resolutions and covenants with the holders of its financial obligations. Authority shall use its best efforts to inform Customer at the earliest practicable date of its intent to increase the power and energy rates pursuant to this provision. With respect to any such increase, Authority shall forward to Customer with the notice of increase, an explanation of all reasons for the increase, and shall also identify the sources from which Authority will obtain the total of increased revenues and the bases upon which Authority will allocate the increased revenue requirements among its customers. Any such increase in rates shall remain in effect only so long as Authority determines such increase is necessary to provide revenues for the purposes stated in the preceding sentences.

4. In addition to all other fees, assessments and charges provided for in the Agreement, Service Tariff WNY-2 and the Rules, the Customer shall be responsible for payment of the Zero Emission Credit Charge and Monthly Renewable Energy Credit Charge provided for in Schedule D and Schedule E, respectively, of this Agreement.

ARTICLE IV
SUPPLEMENTAL COMMITMENTS

1. Supplemental Commitments. Schedule B sets forth the Customer's "Supplemental Expansion Power and/or Replacement Power Commitments" ("Supplemental Commitments"). The Authority's obligation to provide Electric Service under this Agreement is expressly conditioned upon the Customer's timely compliance with the Supplemental Commitments described in Schedule B as further provided in this Agreement. The Customer's Supplemental Commitments are in addition to all other commitments and obligations provided in this Agreement.

2. [*Intentionally Left Blank*]

3. Special Provisions Relating to a New or Expanded Facility.

   a. Proposed New or Expanded Facility; Failure to Complete.

      If Schedule B provides for the construction of a new facility or an expansion of an existing facility (collectively, "Expansion Project"), and the Customer fails to complete the Expansion Project by the date specified in Schedule B, the Authority may, in its discretion, (a) cancel the Allocation, or (b) if it believes that the Expansion Project will be completed in a reasonable time, agree with the Customer to extend the time for completion of the Expansion Project.

   b. Proposed New or Expanded Facility; Partial Performance.

      If the Expansion Project results in a completed Facility that is only partially operational, or is material different than the Expansion Project agreed to in Schedule B (as measured

by such factors as size, capital investment expenditures, capital improvements, employment levels, estimated energy demand and/or other criteria determined by the Authority to be relevant), the Authority may, in its discretion, on its own initiative or at the Customer's request, make a permanent reduction to the Allocation and Contract Demand to an amount that the Authority determines to fairly correspond to the completed Facility.

c. Notice of Completion; Commencement of Electric Service.

(i) The Customer shall give the Authority not less than ninety (90) days' advance written notice of the anticipated date of completion of an Expansion Project. The Authority will inspect the Expansion Project for the purpose of verifying the status of the Expansion Project and notify Customer of the results of the inspection. The Authority will thereafter commence Electric Service within a reasonable time subject to the other provisions of this Agreement based on applicable operating procedures of the Authority, Customer's local electric utility and NYISO.

(ii) In the event of an Expansion Project being completed in multiple phases, at the Customer's request the Authority may, in its discretion, allow commencement of part of the Allocation upon completion of any such phase, provided the Authority will similarly inspect the Expansion Project for the purpose of verifying the status of the completed phase of the Expansion Project. Upon such verification by the Authority of any such completed phase, the Authority, in its discretion, will determine an amount of kW that fairly corresponds to the completed phase of the Expansion Project, taking into account relevant criteria such as any capital expenditures, increased employment levels, and/or increased electrical demand associated with the completed phase of the Expansion Project.

d. Other Rights and Remedies Unaffected.

Nothing in this Article is intended to limit the Authority's rights and remedies provided for in the other provisions of this Agreement, including without limitation the provisions in Schedule B of this Agreement.

ARTICLE V
ENERGY-RELATED PROJECTS, PROGRAMS AND SERVICES

The Authority shall periodically communicate with the Customer for the purpose of informing the Customer about energy-related projects, programs and services ("Energy Services") offered by the Authority that in the Authority's view could provide value to the Customer and/or support the State's Clean Energy Standard. The Customer shall review and respond to all such offers in good faith, provided, however, that, except as otherwise provided for in this Agreement, participation in any such Energy Services shall be at the Customer's option, and subject to such terms and conditions agreed to by the Parties in one or more definitive agreements.

ARTICLE VI
SERVICE TARIFF; CONFLICTS

1. A copy of Service Tariff No. WNY-2 in effect upon the execution of this Agreement is attached to this Agreement as Exhibit 1, and will apply under this Agreement with the same force and effect as if fully set forth herein. The Customer consents to the application of Service Tariff WNY-2. Service Tariff No. WNY-2 is subject to revision by the Authority from time to time, and if revised, the revised provisions thereof will apply under this Agreement with the same force and effect as if set forth herein. The Authority shall provide the Customer with prior written notice of any revisions to Service Tariff No. WNY-2.

2. In the event of any inconsistencies, conflicts, or differences between the provisions of Service Tariff No.WNY-2 and the Rules, the provisions of Service Tariff No. WNY-2 shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of this Agreement and Service Tariff No. WNY-2 or the Rules, the provisions of this Agreement shall govern.

ARTICLE VII
TRANSMISSION AND DELIVERY

1. The Customer shall be responsible for:

   a. complying with all requirements of its local electric utility (including any other interconnecting utilities) that are necessary to enable the Customer to receive delivery service for the Allocation. Delivery of the Allocation shall be subject to the Utility Tariff;

   b. paying its local electric utility for delivery service associated with the Allocation in accordance with the Utility Tariff, and if the Authority incurs any charges associated with such delivery service, reimbursing the Authority for all such charges; and

   c. obtaining any consents and agreements from any other person that are necessary for the delivery of the Allocation to the Facility, and complying with the requirements of any such person, provided that any such consents, agreements and requirements shall be subject to the Authority's approval.

2. The Authority will use good faith efforts to provide the Customer with at least one year's advance notice of the scheduled expiration of Historic Fixed Price Transmission Congestion Contracts. After issuance of any such notice, the Authority will make itself available at reasonable times to collaborate with the Customer and other EP and RP customers to discuss potential risk-hedging options that might be available following expiration of such contracts.

3. The Customer understands and acknowledges that delivery of the Allocation will be made over transmission facilities under the control of the NYISO. The Authority will act as the LSE with respect to the NYISO, or arrange for another entity to do so on the Authority's behalf. The Customer agrees and understands that it shall be responsible to the Authority for all costs incurred by the Authority with respect to the Allocation for the services established in the NYISO Tariff, or other applicable tariff ("NYISO Charges"), as set forth in Service

Tariff No. WNY-2 or any successor service tariff, regardless of whether such NYISO Charges are transmission-related.

4. The Authority will consider opportunities to assist the Customer concerning actions, practices, or procedures of the Customer's local electric utility identified by the Customer that could adversely impact the implementation and effectiveness of the EP and RP programs, provided that whether or not to take any action or adopt any position on any issue, including any adverse position, is within the Authority's discretion and further subject to applicable laws, regulations and existing legal obligations.

ARTICLE VIII
BILLING AND BILLING METHODOLOGY

1. The billing methodology for the Allocation shall be determined on a "load factor sharing" basis in a manner consistent with the Utility Tariff and any agreement between the Authority and the Customer's local electric utility. An alternative basis for billing may be used provided the Parties agree in writing and the local electric utility provides its consent if such consent is deemed necessary.

2. All other provisions with respect to billing are set forth in Service Tariff No. WNY-2 and the Rules.

3. The rights and remedies provided to the Authority in this Article are in addition to any and all other rights and remedies available to Authority at law or in equity.

ARTICLE IX
HYDROPOWER CURTAILMENTS AND SUBSTITUTE ENERGY

1. The Customer shall, on a form provided by the Authority, elect to either (a) purchase Substitute Energy from the Authority, or (b) rely on Customer-Arranged Energy, for the purpose of replacing Firm Energy that is not supplied to the Customer due to a Planned Hydropower Curtailment. The Customer shall make its election in accordance with the time period and other requirements prescribed in such form. The election shall apply for the entire calendar year identified in the form.

2. The Customer may change its election on a form provided by the Authority by giving the Authority notice of such change no later than the first day of November preceding the calendar year to which the Customer intends such change to become effective. Such change shall be effective on the first day of January following the Authority's receipt the Customer's notice and shall remain in effect unless it is changed in accordance with the provisions of Section IX.1.

3. In the event of an anticipated or planned Adverse Water Condition, the Authority will have the right in its discretion to implement Planned Hydropower Curtailments. The Authority will implement Planned Hydropower Curtailments on a non-discriminatory basis as to all Authority customers that are served by the Project. The Authority will provide the Customer with advance notice of Planned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer no later than the tenth business day of the month

prior to the month in which the Planned Hydropower Curtailment is expected to occur unless the Authority is unable to provide such notice due to the circumstances that impede such notice, in which case the Authority will provide such advance notice that is practicable under the circumstances.

4. If the Customer elected to purchase Substitute Energy from the Authority, the Authority shall provide Substitute Energy to the Customer during all Planned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, Substitute Energy shall be sourced from markets administered by the NYISO. The Authority may require the Customer to enter into one or more separate agreements to facilitate the provision of Substitute Energy to the Customer.

5. If the Customer elected to rely on Customer-Arranged Energy, the Authority shall have no responsibility to provide the Customer with Substitute Energy during any Planned Hydropower Curtailment, and the Customer shall be responsible for the procurement, scheduling, delivery and payment of all costs associated with Customer-Arranged Energy.

6. The Customer shall have the right to reduce its load in response to a Planned Hydropower Curtailment (a "Load Reduction"), provided, however, that the Customer shall, on an Authority form, provide the Authority with no less than seven (7) days' advance notice of the time period(s) during when the Load Reduction will occur, the estimated amount of the Load Reduction (demand and energy), and all other information required by such form. The Authority will confirm whether the notice provides the required information and proposed Load Reduction has been accepted. The Customer shall reimburse the Authority for all costs that the Authority incurs as a result of the Customer's failure to provide such notice.

7. In the event of an Adverse Water Condition that the Authority did not anticipate or forecast, the Authority shall have the right in its discretion to implement Unplanned Hydropower Curtailments. The Unplanned Hydropower Curtailments will be implemented on a non-discriminatory basis as to all Authority customers that are served by the Project.

8. The Authority will provide the Customer with notice of Unplanned Hydropower Curtailments that in the Authority's judgment will impact Electric Service to the Customer within five (5) business days after the first occurrence of an Unplanned Hydropower Curtailment that occurs within a month, and thereafter will provide the Customer with reasonable notice under the circumstances of the potential for any other Unplanned Hydropower Curtailments that are expected to occur within such month or beyond. The Authority will give the Customer notice of any Unplanned Hydropower Curtailments that the Authority believes are likely to exceed forty-eight (48) continuous hours in duration.

9. Notwithstanding the Customer's election pursuant to Section IX.1, the Authority shall provide the Customer with Substitute Energy during Unplanned Hydropower Curtailments.

10. For each kilowatt-hour of Substitute Energy provided by the Authority during a Planned Hydropower Curtailment, the Customer shall pay the Authority directly during the billing month: (1) the difference between the market cost of the Substitute Energy and the charge for firm energy as provided for in this Agreement; and (2) any NYISO charges and taxes the Authority incurs in connection with the provision of such Substitute Energy. Unless

otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Planned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.

11. The Customer shall be responsible for all costs associated with the Authority's provision of Substitute Energy during Unplanned Hydropower Curtailments. Unless otherwise agreed upon by the Parties in writing, billing and payment for Substitute Energy provided for Unplanned Hydropower Curtailments shall be governed by the provisions of Service Tariff WNY-2 relating to the rendition and payment of bills for Electric Service.

12. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Customer in later billing periods.

ARTICLE X
EFFECTIVENESS, TERM AND TERMINATION

1. This Agreement shall become effective and legally binding on the Parties on the Effective Date.

2. Once commenced, Electric Service under the Agreement shall continue until the earliest of: (a) termination by the Customer with respect to its Allocation upon ninety (90) days prior written notice to the Authority; (b) termination by the Authority pursuant to this Agreement, Service Tariff No. WNY-2, or the Rules; or (c) expiration of the Allocation by its own term as specified in Schedule A.

3. The Customer may exercise a partial termination of the Allocation upon at least sixty (60) days' prior written notice to the Authority. The Authority will effectuate the partial termination as soon as practicable after receipt of such notice taking account of the Authority's internal procedures and requirements of the Customer's local electric utility.

4. The Authority may cancel service under this Agreement or modify the quantities of Firm Power and Firm Energy associated with the Allocation: (1) if such cancellation or modification is required to comply with any final ruling, order or decision of any regulatory or judicial body of competent jurisdiction (including any licensing or re-licensing order or orders of the FERC or its successor agency); or (2) as otherwise provided in this Agreement, Service Tariff No. WNY-2, or the Rules.

ARTICLE XI
EXTENSIONS OF ALLOCATION; AWARD OF ADDITIONAL ALLOCATIONS

1. The Customer may apply to the Authority for an extension of the term of the Allocation identified in Schedule A:

    a. during the thirty-six (36) month period immediately preceding the scheduled expiration of the Allocation;

b. pursuant to any other process that the Authority establishes; or
c. with the Authority's written consent.

2. Upon proper application by the Customer, the Authority may in accordance with applicable law and Authority procedures award additional allocations of EP and/or RP to the Customer at such rates and on such terms and conditions as the Authority establishes. If the Customer agrees to purchase Electric Service associated with any such additional allocation, the Authority will (a) incorporate any such additional allocations into Schedule A, or in its discretion will produce a supplemental schedule, to reflect any such additional allocations, and (b) produce a modified Appendix to Schedule B, as the Authority determines to be appropriate. The Authority will furnish the Customer with any such modified Schedule A, supplemental schedule, and/or a modified Appendix to Schedule B, within a reasonable time after commencement of Electric Service for any such additional allocation.

3. In addition to any requirements imposed by law, the Customer hereby agrees to furnish such documentation and other information as the Authority requests to enable the Authority to evaluate any requests for extension of the Allocation or additional allocations and consider the terms and conditions that should be applicable of any extension or additional allocations.

ARTICLE XII
NOTICES

1. Notices, consents, authorizations, approvals, instructions, waivers or other communications provided in this Agreement shall be in writing and transmitted to the Parties as follows:

To: The Authority

New York Power Authority
123 Main Street
White Plains, New York 10601
Email: ContractDocs@nypa.gov
Facsimile: (914) 390-8156
Attention: Manager – Business Power Allocations and Compliance

To: The Customer

Rosina Food Products, Inc.
3100 Clinton Street
West Seneca, NY 14224
Email: enaber@rosina.com
Facsimile:
Attention: Eric Naber

2. The foregoing notice/notification information pertaining to either Party may be changed by such Party upon notification to the other Party pursuant to Section XII.1.

3. Except where otherwise herein specifically provided, any notice, communication or request required or authorized by this Agreement by either Party to the other shall be deemed

properly given: (a) if sent by U.S. First Class mail addressed to the Party at the address set forth above; (b) if sent by a nationally recognized overnight delivery service, two (2) calendar days after being deposited for delivery to the appropriate address set forth above; (c) if delivered by hand, with written confirmation of receipt; (d) if sent by facsimile to the appropriate fax number as set forth above, with written confirmation of receipt; or (e) on the date of transmission if sent by electronic communication to the appropriate address as set forth above, with confirmation of receipt. Either Party may change the addressee and/or address for correspondence sent to it by giving written notice in accordance with the foregoing.

ARTICLE XIII
SUCCESSORS AND ASSIGNS; RESALE OF HYDROPOWER

1. This Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the legal successors and assigns of either Party hereto, provided that no assignment by either Party or any successor or assignee of such Party of its rights and obligations hereunder shall be made or become effective without the prior written consent of the other Party, which consent shall not be unreasonably withheld or conditioned. Notwithstanding the foregoing sentence, the Authority may require such approvals, and such consents and other agreements from the Customer and other parties, that the Authority determines are necessary in order to effectuate any such assignment.

2. The Customer may not transfer any portion of the Allocation to any other person, or a location different than the Facility, unless: (a) the Authority in its discretion authorizes the transfer Authority; (b) all other requirements applicable to a transfer, including board approvals, are satisfied; and (c) the transfer is effectuated in a form and subject to such terms and conditions approved by the Authority. Any purported transfer that does not comply with the foregoing requirements shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service or terminate the Allocation and/or this Agreement.

3. The Customer may not sell any portion of the Allocation to any other person. Any purported sale shall be invalid and constitute grounds for the Authority in its discretion to suspend Electric Service, or terminate the Allocation and/or this Agreement.

ARTICLE XIV
MISCELLANEOUS

1. Choice of Law

   This Agreement shall be governed by and construed in accordance with the laws of the State of New York to the extent that such laws are not inconsistent with the FERC License and the Niagara Redevelopment Act (16 USC §§836, 836a) and rulings by the IJC and without regard to conflicts of law provisions.

2. Venue

   The Parties: (a) consent to the exclusive jurisdiction and venue of any state court within or

for Albany County, New York, with subject matter jurisdiction for adjudication of any claim, suit, action or any other proceeding in law or equity arising under, or in any way relating to this Agreement; (b) agree to accept service of process; and (c) will not raise any argument of inconvenient forum.

3. Previous Agreements; Modifications; and Interpretation

a. This Agreement shall constitute the sole and complete agreement of the Parties hereto with respect to the sale of the Allocation and the subject matter of the Agreement, and supersedes all previous communications and agreements between the Parties, oral or written, with reference to the sale of the Allocation.

b. No modifications of this Agreement shall be binding upon the Parties hereto or either of them unless such modification is in writing and is signed by a duly authorized officer of each of them.

c. No provision shall be construed against a Party on the basis that such Party drafted such provision.

4. Waiver

Any waiver at any time by either the Authority or the Customer of their rights with respect to a default or of any other matter arising out of this Agreement shall not be deemed to be a waiver with respect to any other default or matter. No waiver by either Party of any rights with respect to any matter arising in connection with this Agreement shall be effective unless made in writing and signed by the Party making the waiver.

5. Severability and Voidability

If any term or provision of this Agreement shall be invalidated, declared unlawful or ineffective in whole or in part by an order of the FERC or a court of competent jurisdiction, such order shall not be deemed to invalidate the remaining terms or provisions hereof. Notwithstanding the preceding sentence, if any provision of this Agreement is rendered void or unenforceable or otherwise modified by a court or agency of competent jurisdiction, the entire Agreement shall, at the option of either Party and only in such circumstances in which such Party's interests are materially and adversely impacted by any such action, be rendered void and unenforceable by such affected Party.

ARTICLE XV
EXECUTION

To facilitate execution, this Agreement may be executed in as many counterparts as may be required, and it shall not be necessary that the signatures of, or on behalf of, each Party, or that the signatures of all persons required to bind any Party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each Party, or that the signatures of the persons required to bind any Party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this

Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the Parties hereto. The delivery of an executed counterpart of this Agreement as a PDF or similar file type transmitted via electronic mail, cloud based server, e-signature technology or similar electronic means shall be legal and binding and shall have the same full force and effect as if an original executed counterpart of this Agreement had been delivered.

[SIGNATURES FOLLOW ON NEXT PAGE]

AGREED:

ROSINA FOOD PRODUCTS, INC.

By: _____

Title: _____

Date: _____

AGREED:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: _____
John R. Koelmel, Chairman

Date: _____

SCHEDULE A
EXPANSION POWER AND/OR REPLACEMENT POWER ALLOCATIONS

Customer: Rosina Food Products, Inc. **Type of Allocation**	**Allocation Amount (kW)**	**Facility Address**	**Trustee Approval Date**	**Allocation Expiration Date**
EP	4,500 kW	3100 Clinton St. West Seneca, NY 14224 75 Empire Dr. West Seneca, NY 14224	March 25, 2025	Ten (10) years from the date of commencement of Electric Service

SCHEDULE B
SUPPLEMENTAL EXPANSION POWER AND/OR REPLACEMENT POWER COMMITMENTS

ARTICLE I
SPECIFIC SUPPLEMENTAL COMMITMENTS

1. Employment Commitments

   a. The Customer shall create and maintain the employment level set forth in the Appendix to this Schedule B (the "Base Employment Level"). Such Base Employment Level shall be the total number of full-time positions held by: (a) individuals who are employed by the Customer at Customer's Facility identified in the Appendix to this Schedule, and (b) individuals who are contractors or who are employed by contractors of the Customer and assigned to the Facility identified in such Appendix (collectively, "Base Level Employees"). The number of Base Level Employees shall not include individuals employed on a part-time basis (less than 35 hours per week); provided, however, that two individuals each working 20 hours per week or more at such Facility shall be counted as one Base Level Employee.

   b. The Base Employment Level shall not be created or maintained by transfers of employees from previously held positions with the Customer or its affiliates within the State of New York, except that the Base Employment Level may be filled by employees of the Customer laid off from other Customer facilities for *bona fide* economic or management reasons.

   c. The Authority may consider a request to change the Base Employment Level based on a claim of increased productivity, increased efficiency or adoption of new technologies or for other appropriate reasons as determined by the Authority. Any such change shall be within Authority's discretion.

2. Capital Investment Commitments

   The Customer shall make the capital investments specified in the Appendix to this Schedule B.

3. Power Utilization

   For each month the Authority provides Electric Service to the Customer, the Customer shall utilize the entire Allocation, as represented by the Billing Demand (as such term is described in Service Tariff No. WNY-2), provided, however, that if only part of the Allocation is being utilized in accordance with Schedule C, the Customer shall utilize such partial amount of the Allocation.

4. Energy Efficiency and Conservation Program

a. The Customer shall implement an energy efficiency and conservation program at the Facility through either (a) enrollment of the Facility and participation in NYEM in accordance with a NYEM Agreement, or (b) one or more Physical Energy Audits of the Facility, or (c) a combination of such measures, in accordance with the provisions of this Article.

b. The Authority shall transmit to the Customer a NYEM Agreement and an election form. The Customer shall elect to either (a) enroll the Facility and participate in NYEM for a three-year term ("NYEM Participation") in accordance with the NYEM Agreement, or (b) perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority's communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit within three (3) years of the Effective Date of this Agreement, at its own expense.

c. The Authority shall, on or before the expiration of the three-year term of the NYEM Agreement, transmit to the Customer a NYEM Agreement specifying the terms and conditions that would apply to NYEM participation for a second term, and an election form. The Customer shall elect either (a) NYEM Participation for a second term, or (b) to perform a Physical Energy Audit of the Facility. The Customer shall make the election within sixty (60) days of its receipt of the Authority's communication. If the Customer elects NYEM Participation, it shall execute and return the NYEM Agreement to the Authority with the election form, abide by the NYEM Agreement, and participate in NYEM at its own expense at the rate provided in the NYEM Agreement. If the Customer elects to perform a Physical Energy Audit, it shall perform the Physical Energy Audit during the calendar year that begins six years after the Effective Date of this Agreement, at its own expense.

d. The Authority may in its discretion waive the requirement for a Physical Energy Audit, or may agree to a limited energy audit of the Facility, where it determines that the Physical Energy Audit is unnecessary based on the age of the Facility, energy efficiency and conservation improvements made at the Facility, the length of the Allocation, or other considerations the Authority determines to be relevant.

ARTICLE II
RECORDKEEPING, REPORTING AND FACILITY ACCESS

1. Employment

   A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority, of the total number of Base Level Employees who are employed at or assigned to the Customer's Facility identified in the Appendix to this Schedule, as reported to the United States Department of Labor (or as reported in such other record as agreed upon by the Authority and the Customer). Such report shall separately identify the individuals who are employed by the Customer, and the individuals who are contractors or who are employed by contractors of the Customer, and shall be certified to be correct by an officer of the Customer, plant manager or such other person authorized by the Customer to prepare and file such report and shall be provided to the Authority on or before the last day of February following the end of the most recent calendar year. The Authority shall have the right to examine and audit on reasonable advance written notice all non-confidential written and electronic records and data concerning employment levels including, but not limited to, personnel records and summaries held by the Customer and its affiliates relating to employment in New York State.

2. Capital Investments

   The Customer shall comply with the recordkeeping, recording and reporting requirements specified in the Appendix to this Schedule B.

3. Power Usage

   A record shall be kept monthly by the Customer, and provided on a calendar year basis to the Authority on or before the last day of February following the end of the most recent calendar year, of the maximum demand utilized each month in the Facility receiving the power covered by the Agreement.

4. Energy Efficiency and Conservation Program

   Upon the Authority's request, the Customer shall provide the Authority with (a) a copy of the results of any Physical Energy Audit performed at the Facility (or, at the Authority's option, a report describing the results), performed pursuant to this Article; and (b) a description of any energy efficiency or conservation measures that the Customer has implemented at the Facility in response to any Physical Energy Audit or as a result of NYEM Participation.

5. Facility Access

Notwithstanding any other provision of the Agreement, the Customer shall provide the Authority with such access to the Facility, and such documentation, as the Authority deems necessary to determine the Customer's compliance with the Customer's Supplemental Commitments specified in this Schedule B.

ARTICLE III
COMPLIANCE ACTION BY THE AUTHORITY

1. Employment

   If the year-end monthly average number of employees is less than 90% of the Base Employment Level set forth in the Appendix to this Schedule B for the subject calendar year, the Authority may reduce the Contract Demand in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount of reduction will be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average monthly employment during the subject calendar year divided by the Base Employment Level. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, the Agreement shall automatically terminate.

2. Capital Investment Commitment

   The Authority may reduce the Contract Demand as provided in the Appendix to this Schedule B if the Customer does not comply with the Capital Investment Commitment.

3. Power Utilization Level

   If the average of the Customer's six (6) highest Billing Demands (as such term is described in Service Tariff No. WNY-2) for Expansion Power and/or Replacement Power is less than 90% of the Customer's Contract Demand in such calendar year the Authority may reduce the Contract Demand subject to in accordance with the procedures provide in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the average of the six (6) highest Billing Demands for in such calendar year divided by the Contract Demand. Any such reduction shall be rounded to the nearest fifty (50) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

4. Additional Compliance Action

   In addition to the Authority's other rights and remedies provided in this Agreement, Service Tariff WNY-2 and the Rules, the Authority may suspend Electric Service to the Customer if the Customer does not comply with any of the requirements in Section I.4 or Article II of this Schedule B.

5. Notice of Intent to Reduce Contract Demand

In the event that the Authority determines that the Contract Demand will be wholly or partially reduced pursuant to Sections III.1, III.2, or III.3 of this Schedule B, the Authority shall provide the Customer with at least thirty (30) days prior written notice of the proposed reduction, specifying the amount and reason for the reduction. Before implementing any reduction, the Authority may consider the Customer's scheduled or unscheduled maintenance, Facility upgrade periods, and the business cycle. If, at the end of the thirty (30) day notice period, the Authority determines that a reduction is warranted, it shall provide the Customer with notice of such determination and provide the Customer with sixty (60) days to present a proposed plan with actionable milestones to cure the deficiency. The Authority shall respond to the Customer concerning the acceptability of any proposed plan that is provided in accordance with this Section III.5 within thirty (30) days of the Authority's receipt of such proposed plan. It shall be within the Authority's discretion whether or not to accept the Customer's proposed plan, require a different plan, or implement the reduction of the Contract Demand.

APPENDIX TO SCHEDULE B

BASE EMPLOYMENT LEVEL

The Customer shall employ at least 520 full-time, permanent employees ("Base Employment Level") at the Customer's Facility. The Base Employment Level shall be maintained for the term of the Allocation in accordance with Article I of Schedule B.

CAPITAL INVESTMENT COMMITMENTS

1. **Annual Capital Investment Commitment** (if applicable, as specified below)

    a. Each Reporting Year, the rolling average of the annual capital investments made by the Customer at the Facility ("Rolling Average") shall total not less than **N/A** (the "Annual Capital Investment Commitment"). For purposes of this provision, "Rolling Average" means the three-year average comprised of (1) the total amount of capital investments ("Annual CI Expenditures") made by the Customer at the Facility during the current Reporting Year, and (2) the Annual CI Expenditures made by the Customer at the Facility during the two prior Reporting Years.

    b. Each year, the Customer shall record its Annual CI Expenditures for purposes of enabling the Authority to determine and verify the Rolling Average, which shall be provided to the Authority in a form specified by the Authority on or before the last day of February following the end of the most recent calendar year.

    c. If the Customer's Rolling Average as determined by the Authority is less than 90% of its Annual Capital Investment Commitment for the Reporting Year, the Contract Demand may be reduced by the Authority in accordance with the procedures provided in Section III.5 of this Schedule. The maximum amount by which the Authority may reduce the Contract Demand shall be determined by multiplying the Contract Demand by the quantity one minus the quotient of the Rolling Average divided by the Annual Capital Investment Commitment. Any such reduction shall be rounded to the nearest ten (10) kW. In the event of a reduction of the Contract Demand to zero, this Agreement shall automatically terminate.

2. **Expansion Project–Capital Investment Commitment** (if applicable, as specified below)

    a. The Customer shall make a minimum capital investment of $50,000,000 to construct, furnish and/or expand the Facility ("Expansion Project Capital Investment Commitment"). The Expansion Project Capital Investment Commitment is expected to consist of the following approximate expenditures on the items indicated:

DESCRIPTION	**EXPENDITURE**
Facility Construction Costs	$35,000,000
New Machinery & Equipment Purchases	$15,000,000
Total Minimum Expansion Project Capital Investment Commitment:	**$50,000,000**

Total Expansion Project Capital Investment Commitment:

b. The Expansion Project Capital Investment Commitment shall be made, and the Facility shall be completed and fully operational, no later than March 25, 2028 (*i.e.*, within three (3) years of the date of the Authority's award of the Allocation). Upon request of the Customer, such date may be extended in the discretion of the Authority.

SCHEDULE C
TAKEDOWN SCHEDULE

SCHEDULE D
ZERO EMISSION CREDIT CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. WNY-2, or in the Rules.

"Affected LSEs" has the meaning provided in Section II.2 of this Schedule D.

"CES Order" means the Order issued by the PSC entitled "Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

"EP and RP Programs ZEC Costs" has the meaning provided in Section II.4.b of this Schedule D.

"Government Action" has the meaning provided in Section II.8 of this Schedule D.

"Load Serving Entity" or "LSE" has the meaning provided in the CES Order.

"NYSERDA" means the New York State Energy Research and Development Authority.

"Public Service Commission" means the New York State Public Service Commission.

"Renewable Energy Standard" or "RES" means the Renewable Energy Standard adopted by the State in the CES Order.

"RES Compliance Program" means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the EP and RP power programs as authorized in the Power Authority Act.

"State Energy Plan" means the 2015 New York State Energy Plan as amended from time to time.

"Zero Emission Credit" or "ZEC" has the meaning provided in the CES Order.

"Zero Emission Credit Charge" or "ZEC Charge" means the charge to the Customer established in this Schedule D.

"ZEC Purchase Obligation" has the meaning provided in Section II.2 of this Schedule D.

"ZEC Program Year" has the meaning provided in Section II.2 of this Schedule D.

II. ZEC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a ZEC Charge as provided in this Schedule D. The ZEC Charge shall be in addition to all other charges, fees and assessments provided for in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the ZEC Charge.

2. As provided in the CES Order, the Public Service Commission, as part of the CES and Tier 3 of the Renewable Energy Standard, imposed an obligation on Load Serving Entities that are subject to the CES Order ("Affected LSEs") to purchase Zero Emission Credits from NYSERDA in an amount representing the Affected LSE's proportional share of ZECs calculated on the basis of the amount of electric load the LSE serves in relation to the total electric load served by all Load Serving Entities in the New York Control area, to support the preservation of existing at risk nuclear zero emissions attributes in the State (the "ZEC Purchase Obligation"). The ZEC Purchase Obligation is implemented on the basis of program years running from April 1 through March 31 of each year ("ZEC Program Year").

3. The ZEC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of supporting the CES and Tier 3 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan. The Authority will comply with the CES and Tier 3 of the RES by applying a form of ZEC Purchase Obligation to the end-user load for which the Authority serves as a load serving entity, including the load that the Authority serves under the EP and RP power programs.

4. The ZEC Charge, which is intended to recover from the Customer costs that the Authority incurs for purchasing ZECs in quantities that are attributable to the Customer's EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:

    a. The cost of the total ZEC Purchase Obligation for all LSEs in the New York Control Area, including the Authority as a participating load serving entity, will be assessed pursuant to the methodology provided in the CES Order. The Authority will purchase its proportionate share of ZECs from NYSERDA based on the proportion of the forecasted total kilowatt-hours load served by

the Authority (i.e., total Authority LSE load) in relation to the forecasted total kilowatt-hours load served by all LSEs in the New York Control Area as provided in the CES Order. The ZEC Purchase Obligations may be based on initial load forecasts with reconciliations made at the end of each ZEC Program Year by NYSERDA.

b. The Authority will allocate costs from its ZEC Purchase Obligation between its power programs/load for which it serves as load serving entity, including the EP and RP load that it serves (the "EP and RP Programs ZEC Costs"). Such allocation will be based on the forecasted kilowatt-hours load of the EP and RP programs to be served by the Authority in relation to the forecasted total kilowatt-hours load served by the Authority (total Authority LSE load) for each ZEC Program Year. In addition, any balance resulting from the ZEC Program Year-end reconciliation of ZEC Purchase Obligations will be allocated to the EP and RP power programs based on the proportion of the actual annual kilowatt-hours load served under such programs to total actual annual kilowatt-hours load served by the Authority (total Authority LSE load).

c. The Authority will allocate a portion of the EP and RP Programs ZEC Costs to the Customer as the ZEC Charge based on the proportion of the Customer's actual kilowatt-hours load for the EP and/or RP purchased by the Customer to total kilowatt-hours load served by the Authority under the EP and RP power programs (i.e., EP and RP Programs level load). In addition, any balance resulting from the ZEC Program Year-end reconciliation of the ZEC Purchase Obligation referenced above will be passed through to the Customer based on the proportion of the Customer's annual kilowatt-hours load purchased under this Agreement to total annual kilowatt-hours load served under the EP and RP power program by the Authority (EP and RP Programs level load). The ZEC Charge assessed to the Customer shall not include any costs resulting from the Authority's inability to collect a ZEC Charge from any other Authority customer.

5. The Authority may, in its discretion, include the ZEC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the ZEC Charge pursuant to another Authority-established procedure.

6. The Authority may, in its discretion, modify the methodology used for determining the ZEC Charge and the procedures used to implement such ZEC Charge on a nondiscriminatory basis among affected EP and RP customers, upon consideration of such matters as Public Service Commission orders modifying or implementing the CES Order, guidance issued by the New York Department of Public Service, and other information that the Authority reasonably determines to be appropriate to the determination of such methodology. The Authority shall

provide Customer with reasonable notice of any modifications to the methodology or procedures used to determine and implement the ZEC Charge.

7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.

8. If the ZEC Purchase Obligation is modified or terminated by the Public Service Commission or other controlling governmental authority (collectively, "Government Action"), the Authority shall modify or terminate the ZEC Charge, and assess any additional charges or provide any credits to the Customer, to the extent that the Authority determines such actions to be appropriate based on such Government Action.

SCHEDULE E
MONTHLY RENEWABLE ENERGY CREDIT CHARGE

I. DEFINITIONS

When used with initial capitalization, whether singular or plural, the following terms, as used in this Schedule, shall have the meanings as set forth below. Capitalized terms not defined in this Schedule shall have the meaning ascribed to them elsewhere in the Agreement, in Service Tariff No. WNY-2, or in the Rules.

"Alternative REC Compliance Program" has the meaning provided in Section III.1 of this Schedule E.

"Annual REC Percentage Target" has the meaning provided in Section II.2 of this Schedule E.

"CES Order" means the Order issued by the Public Service Commission entitled "Order Adopting a Clean Energy Standard, issued on August 1, 2016, in Case Nos. 15-E-0302 and 16-E-0270, and includes all subsequent orders amending, clarifying and/or implementing such Order or the RES.

"Clean Energy Standard" or "CES" means the Clean Energy Standard adopted by the State in the CES Order.

"Load Serving Entity" has the meaning provided in the CES Order.

"Mandatory Minimum Percentage Proportion" has the meaning provided in the CES Order.

"Monthly Renewable Energy Credit Charge" or "Monthly REC Charge" means the monthly charge to the Customer established in this Schedule E.

"NYSERDA" means the New York State Energy Research and Development Authority.

"Public Service Commission" means the New York State Public Service Commission.

"Renewable Energy Credit" or "REC" refers to a qualifying renewable energy credit as described in the CES Order.

"State Energy Plan" means the 2015 New York State Energy Plan as amended from time to time.

"RES Compliance Program" means a program or initiative that the Authority has adopted for the purpose of meeting the RES for the load that the Authority serves under the EP and RP power programs as authorized in the Power Authority Act.

"Renewable Energy Standard" or "RES" means the Renewable Energy Standard adopted by the State in the CES Order.

"REC Compliance Measures" mean: (1) the Authority's procurement of RECs from NYSERDA in accordance with NYSERDA procedures and/or the CES Order; (2) the Authority's procurement of RECs from available REC markets; (3) the Authority's procurement of RECs from sources other than those identified in items (1) and (2) of this definition, including through a procurement process adopted by the Authority; and/or (4) any other measure that the PCS authorizes a Load Serving Entity to implement for the purpose of meeting the applicable Mandatory Minimum Percentage Proportion.

"Total Monthly EP-RP Load" has the meaning provided in Section II.3.b of this Schedule E

"Total Monthly REC Costs" has the meaning provided in Section II.3.b of this Schedule E.

II. MONTHLY REC CHARGE

1. Notwithstanding any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules, as of January 1, 2019, the Customer shall be subject to a Monthly REC Charge as provided in this Schedule E. The Monthly REC Charge is in addition to all other charges, fees and assessments provided in the Agreement, Service Tariff No. WNY-2 and the Rules. By accepting Electric Service under the Agreement, the Customer agrees to pay the Monthly REC Charge.

2. The Monthly REC Charge is part of a RES Compliance Program that the Authority has adopted for the purpose of complying with the CES and Tier 1 of the RES and implementing the EP and RP power programs in a manner that is consistent with the New York State Energy Plan, pursuant to which the Authority will invest in new renewable generation resources to serve its EP and RP customers. Such investments will be made through the procurement of RECs through REC Compliance Measures in quantities that are intended to address the annual Mandatory Minimum Percentage Proportions as applied by the Authority to the total EP and RP load that the Authority will serve each calendar year (the "Annual REC Percentage Target") for the purpose of ultimately meeting the RES.

3. The Monthly REC Charge, which is intended to recover from the Customer costs that the Authority incurs for implementing REC Compliance Measures that are attributable to the Customer's EP and/or RP load served under this Agreement, will be determined and assessed to the Customer as follows:

a. The Authority shall have the right, for each calendar year to implement such REC Compliance Measures as it determines in its discretion to be appropriate for the purpose of meeting the Annual REC Percentage Target for the total EP and RP load that it will serve during such calendar year.

b. The Authority will, for each month of each calendar year, calculate the total costs ("Total Monthly REC Costs") that the Authority has incurred or estimates that it will incur from implementing RES Compliance Measures for the purpose of meeting the Annual REC Percentage Target for the total EP and RP kilowatt-hour load for the month ("Total Monthly EP-RP Load"). The Total Monthly REC Costs may be calculated based on forecasts of the Total Monthly EP-RP Load that the Authority expects to serve for the month, or on a lagged basis based on the actual Total Monthly EP-RP Load that the Authority served for the month.

c. Each month, the Authority will assess to the Customer, as a Monthly REC Charge, which will represent the Customer's share of the Total Monthly REC Costs assessed to the Total Monthly EP-RP Load. The Monthly REC Charge will be assessed as the proportion of the Customer's total kilowatt-hours load served by the Authority for such month to the Total Monthly EP-RP Load served by the Authority for such month, provided, however, that:

   i. the Monthly REC Charge to the Customer shall not include any costs associated with the Authority's inability to collect the Monthly REC Charge from other Authority customers; and

   ii. the effective per-MWh rate of the Monthly REC Charge to the Customer averaged over the REC Program Year to which the Annual REC Percentage Target applies shall not exceed the per-MWh rate of a Monthly REC Charge based on NYSERDA's published REC price for the REC Program Year.

4. The Authority may, in its discretion, include the Monthly REC Charge as part of the monthly bills for Electric Service as provided for in the Agreement, or bill the Customer for the Monthly REC Charge pursuant to another Authority-established procedure.

5. The Authority will, at the conclusion of each calendar year in which it assesses a Monthly REC Charge, conduct a reconciliation process based on the actual costs that it incurred for REC Compliance Measures and actual load served for the year, compared with cost or load estimates or forecasts, if any, that the Authority used to calculate the Customer's Monthly REC Charges during the year. The Authority will issue a credit, or an adjusted final charge for the year, as appropriate, based on the results of such reconciliation process. Any such final charge shall be payable within the time frame applicable to the Authority's bills

for Electric Service under this Agreement or pursuant to any other procedure established by the Authority pursuant to Section II.4 of this Schedule E.

6. Notwithstanding the provisions of Section II.3 of this Schedule E, if Electric Service for the Allocation is commenced after the Authority has implemented REC Compliance Measures for the year in which such Electric Service is commenced, and as a result the Customer's load cannot be accounted for in such REC Compliance Measures, the Authority may in its discretion implement separate REC Compliance Measures in order to meet the Annual REC Percentage Target for Customer's load for the year, and bill the Customer for the costs associated with such separate REC Compliance Measures.

7. Nothing in this Schedule shall limit or otherwise affect the Authority's right to charge or collect from the Customer, any rate, charge, fee, assessment, or tax provided for under any other provision of the Agreement, or any provision of Service Tariff No. WNY-2 or the Rules.

III. ALTERNATIVE REC COMPLIANCE PROGRAM

1. Nothing in this Schedule E shall be construed as preventing the Parties from entering into other agreements for an alternative arrangement for the Authority to meet the Annual REC Percentage Target with respect to the Customer's Allocation, including but not limited to Customer self-supply of RECs, alternative REC compliance programs and cost allocation mechanisms, in lieu of the Monthly REC Charge provided in this Schedule E (collectively, "Alternative REC Compliance Program").

2. The Authority shall communicate at least biennially with the Customer concerning implementation of the RES Compliance Program and potential Alternative REC Compliance Programs, if any, that the Authority is offering or expects to offer.

POWER AUTHORITY OF THE STATE OF NEW YORK

30 SOUTH PEARL STREET

ALBANY, NY 12207

Schedule of Rates for Sale of Firm Power Service to Expansion Power and Replacement Power Customers Located in Western New York

Service Tariff No. WNY-2

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Schedule of Rates for Firm Power Service

I. Applicability

To sales of Expansion Power and/or Replacement Power directly to a qualified business Customer for firm power service.

II. Abbreviations and Terms

- kW kilowatt(s)
- kW-mo. kilowatt-month
- kWh kilowatt-hour(s)
- MWh megawatt-hour(s)
- NYISO New York Independent System Operator, Inc. or any successor organization
- PAL New York Public Authorities Law
- OATT Open Access Transmission Tariff issued by the NYISO

Agreement: An executed written agreement between the Authority and the Customer for the sale of Expansion Power and/or Replacement Power to the Customer.

Annual Adjustment Factor or **AAF**: This term shall have the meaning set forth in Section V herein.

Authority: The Power Authority of the State of New York, a corporate municipal instrumentality and a political subdivision of the State of New York created pursuant to Chapter 772 of the New York Laws of 1931 and existing and operating under Title 1 of Article 5 of the PAL, also known as the "New York Power Authority."

Customer: A business entity that has received an allocation of Expansion Power and/or Replacement Power, and that purchases Expansion Power and/or Replacement Power, directly from the Authority.

Electric Service: The power and energy provided to the Customer in accordance with the Agreement, this Service Tariff and the Rules.

Expansion Power or **EP** and/or **Replacement Power** or **RP**: Firm Power and Firm Energy made available under this Service Tariff by the Authority from the Project for sale to the Customer for business purposes pursuant to PAL § 1005(5) and (13).

Firm Power: Capacity (kW) that is intended to be always available from the Project subject to the curtailment provisions set forth in the Agreement between the Authority and the Customer and this Service Tariff. Firm Power shall not include peaking power.

Firm Energy: Energy (kWh) associated with Firm Power.

Load Serving Entity or **LSE**: This term shall have the meaning set forth in the Agreement.

Load Split Methodology or **LSM**: A type of billing methodology applicable to a Customer's Allocation which determines how a Customer's total metered usage is apportioned between the power and energy supplied by the Allocation and the Customer's other source of electricity supply, if any. LSM is usually provided for in an agreement between the Authority and the Customer's local electric utility, an agreement between the Authority and the Customer, or an agreement between the Authority, the Customer and the Customer's local electric utility. The load split methodology is often designated as "Load Factor Sharing" or "LFS" , "First through the Meter" or "FTM", "First through the Meter Modified" or "FTM Modified", or "Replacement Power 2" or "RP 2".

Project: The Authority's Niagara Power Project, FERC Project No. 2216.

Rate Year or **RY**: The period from July 1 through June 30. For example, RY 2018 refers to July 1, 2018 through June 30, 2019.

Rules: The Authority's rules and regulations set forth in 21 NYCRR § 450 *et seq*., as they may be amended from time to time.

Service Tariff: This Service Tariff No. WNY-2.

All other capitalized terms and abbreviations used in this Service Tariff but not defined in this Section or other provisions of this Service Tariff shall have the same meaning as set forth in the Agreement.

III. Monthly Rates and Charges

A. Expansion Power (EP) and Replacement Power (RP) Base Rates

The rates to be charged to the Customer by the Authority shall be as follows:

Billing Period	Demand ($/kW)	Energy ($/MWh)
January – June 2019	7.60	13.00

1. For RY 2019 (July 2019 through June 2020 Billing Periods), 50% of the Annual Adjustment Factor ("AAF"), as described in Section V, will be applied to the demand and energy rates stated in the table above.
2. For RY 2020 (July 2020 through June 2021 Billing Periods) and each Rate Year thereafter, the AAF will be applied to the then-effective base rates for demand and energy in accordance with Section V.

B. EP and RP Rates no Lower than Rural/Domestic Rate

At all times the applicable base rates for demand and energy determined in accordance with Sections III.A and V of this Service Tariff shall be no lower than the rates charged by the Authority for the sale of hydroelectricity for the benefit of rural and domestic customers receiving service in accordance with the Niagara Redevelopment Act, 16 U.S.C. § 836(b)(1) (the "Rural/Domestic Rate"). This provision shall be implemented as follows: if the base rates, as determined in accordance with Sections III.A and V of this Service Tariff, are lower than the Rural/Domestic Rate on an average $/MWh basis, each set of rates measured at 80% load factor which is generally regarded as representative for EP and RP Customers, then the base rates determined under Sections III.A and V of this Service Tariff will be revised to make them equal to the Rural/Domestic Rate on an average $/MWh basis. However, the base rates as so revised will have no effect until such time as these base rates are lower than the Rural/Domestic Rate.

C. Monthly Base Rates Exclude Delivery Service Charges

The monthly base rates set forth in this Section III exclude any applicable costs for delivery services provided by the local electric utility.

D. Minimum Monthly Charge

The Minimum Monthly Charge shall equal the product of the demand charge and the Contract Demand (as defined herein). Such Minimum Monthly Charge shall be in addition to any NYISO Charges or Taxes (each as defined herein) incurred by the Authority with respect to the Customer's Allocation.

E. Estimated Billing

If the Authority, in its discretion, determines that it lacks reliable data on the Customer's actual demand and/or energy usage for a Billing Period during which the Customer receives Electric Service from the Authority, the Authority shall have the right to render a bill to the Customer for such Billing Period based on estimated demand and estimated usage ("Estimated Bill").

For the purpose of calculating a Billing Demand charge for an Estimated Bill, the demand charge will be calculated based on the Load Split Methodology that is applicable to the Customer as follows:

- For Customers whose Allocation is subject to a Load Factor Sharing/LFS LSM, the estimated demand (kW) will be calculated based on an average of the Customer's Billing Demand (kW) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated demand (kW) value for the Estimated Bill will equal the Customer's takedown (kW) amount.

- For Customers whose Allocation is subject to a First through the Meter/ FTM, FTM Modified, or RP 2 LSM, the estimated demand (kW) value will equal the Customer's takedown (kW) amount.

For the purpose of calculating a Billing Energy charge for an Estimated Bill, the energy charge will be calculated based on the Customer's Load Split Methodology as follows:

- For Customers whose Allocation is subject to a Load Factor Sharing/LFS LSM, the estimated energy (kWh) will be based on the average of the Customer's Billing Energy (kWh) values for the previous three (3) consecutive Billing Periods. If such historical data is not available, then the estimated energy value (kWh) will be equal to the takedown (kW) amount at 70 percent load factor for that Billing Period.

- For Customers whose Allocation is subject to a First through the Meter/FTM, FTM Modified, or RP 2 LSM, the estimated energy (kWh) will be equal to the takedown (kW) amount at 100 percent load factor for that Billing Period.

If data indicating the Customer's actual demand and usage for any Billing Period in which an Estimated Bill was rendered is subsequently provided to the Authority, the Authority will make necessary adjustments to the corresponding Estimated Bill and, as appropriate, render a revised bill (or provide a credit) to the Customer.

The Minimum Monthly Charge provisions of Section III.D shall apply to Estimated Bills.

The Authority's discretion to render Estimated Bills is not intended and shall not be construed to limit the Authority's rights under the Agreement.

F. Adjustments to Charges

In addition to any other adjustments provided for in this Service Tariff, in any Billing Period, the Authority may make appropriate adjustments to billings and charges to address such matters as billing and payment errors, and the receipt of actual, additional, or corrected data concerning Customer energy or demand usage.

G. Billing Period

The Billing Period is any period of approximately thirty (30) days, generally ending with the last day of each calendar month but subject to the billing cycle requirements of the local electric utility in whose service territory the Customer's facilities are located.

H. Billing Demand

Billing Demand shall be determined by applying the applicable billing methodology to total meter readings during the Billing Period. See Section IV.E, below.

I. Billing Energy

Billing Energy shall be determined by applying the applicable billing methodology to total meter readings during the Billing Period. See Section IV.E, below.

J. Contract Demand

The Contract Demand will be the amount of Expansion Power and/or Replacement Power, not to exceed the Allocation, provided by the Authority to the Customer in accordance with the Agreement

IV. General Provisions

A. Character of Service

Alternating current; sixty cycles, three-phase.

B. Availability of Energy

1. Subject to Section IV.B.2, the Authority shall provide to the Customer in any Billing Period Firm Energy associated with Firm Power. The offer of Firm Energy for delivery shall fulfill the Authority's obligations for purposes of this provision whether or not the Firm Energy is taken by the Customer.

2. In the event of an Adverse Water Condition, the rights and obligations of the Customer and Authority, including but not limited to such matters as Substitute Energy, Customer-Arranged Energy and responsibility for payment of costs associated therewith, will be governed by Article IX of the Agreement.

C. Delivery

For the purpose of this Service Tariff, Firm Power and Firm Energy shall be deemed to be offered when the Authority is able to supply Firm Power and Firm Energy to the Authority's designated NYISO load bus. If, despite such offer, there is a failure of delivery caused by the Customer, NYISO or local electric utility, such failure shall not be subject to a billing adjustment pursuant to Section 454.6(d) of the Rules.

D. Adjustment of Rates

To the extent not inconsistent with the Agreement, the base rates contained in this Service Tariff may be revised from time to time on not less than thirty (30) days written notice to the Customer.

E. Billing Methodology

Unless otherwise specified in the Agreement, the following provisions shall apply:

1. The billing methodology used to determine the amount of Firm Power and Firm Energy to be billed to the Customer related to its Allocation shall be Load Factor Sharing ("LFS") in a manner consistent with the Agreement and any applicable delivery agreement between the Authority and the Customer's local electric utility or both as determined by the Authority. An alternative billing methodology may be used provided the Customer and the Authority agree in writing and the Customer's local electric utility provides its consent if the Authority determines that such consent is necessary.

2. Billing Demand –The Billing Demand charged by the Authority to each Customer will be the highest 15 or 30-minute integrated demand, as determined by the Customer's local electric utility, during each Billing Period recorded on the Customer's meter multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer's local electric utility provides its consent if the Authority determines that such consent is necessary. Billing Demand may not exceed the amount of the Contract Demand.

3. Billing Energy –The kilowatt-hours charged by the Authority to each Customer will be the total number of kilowatt-hours recorded on the Customer's meter for the Billing Period multiplied by a percentage based on the LFS methodology, unless the Customer and the Authority agree in writing to an alternative billing methodology and the Customer's local electric utility provides its consent if the Authority determines that such consent is necessary.

4. With regard to LFS methodology calculations:

    a. For every hour of the Billing Period, the Customer receives hydropower energy (Firm Energy) equal to the hourly metered load multiplied by the ratio of Customer's Contract Demand divided by the maximum hourly metered load value recorded in a given Billing Period, such ratio not to exceed the value of 1.
    b. When the maximum hourly metered demand for the Billing Period is less than or equal to the Contract Demand, all of the Customer's metered load will be supplied by Firm Energy.
    c. When the maximum hourly metered demand for the Billing Period is greater than the Contract Demand, the portion of the Customer's metered load to be supplied by Firm Energy is as follows:
        i. <u>For Customer with hourly billing:</u> the sum of the values, for each hour of the Billing Period, of the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the hourly metered energy consumption.
        ii. <u>For Customer with monthly billing:</u> the Contract Demand divided by the maximum hourly metered demand in the Billing Period multiplied by the total metered energy consumption during the Billing Period.
    d. All demand values will be adjusted for losses.

F. Payment by Customer to Authority

1. Demand and Energy Charges, Taxes

The Customer shall pay the Authority for Firm Power and Firm Energy during any Billing Period the higher of either (i) the sum of (a), (b) and (c) below, or (ii) the Minimum Monthly Charge (as defined herein):

a. The demand charge per kilowatt for Firm Power specified in this Service Tariff or any modification thereof applied to the Customer's Billing Demand (as defined in Section IV.E, above) for the Billing Period; and

b. The energy charge per MWh for Firm Energy specified in this Service Tariff or any modification thereof applied to the Customer's Billing Energy (as defined in Section IV.E, above) for the Billing Period; and

c. A charge representing reimbursement to the Authority for all applicable Taxes incurred by the Authority as a result of providing Expansion Power and/or Replacement Power allocated to the Customer.

2. Transmission Charge

The Customer shall compensate the Authority for all transmission costs incurred by the Authority with respect to the Allocation, including such costs that are charged pursuant to the OATT.

3. NYISO Transmission and Related Charges

The Customer shall compensate the Authority for the following NYISO transmission and related charges (collectively, "NYISO Charges") assessed on the Authority for services provided by the NYISO pursuant to its OATT or other tariffs (as the provisions of those tariffs may be amended and in effect from time to time) associated with providing Electric Service to the Customer:

A. Ancillary Services 1 through 6 and any new ancillary services as may be defined and included in the OATT from time to time;

B. Marginal losses;

C. The New York Power Authority Transmission Adjustment Charge ("NTAC");

D. Congestion costs inclusive of any rents collected or owed due to any associated grandfathered transmission congestion contracts as provided in Attachment K of the OATT;

E. Any and all other charges, assessments, or other amounts associated with deliveries to Customers or otherwise associated with the Authority's responsibilities as a Load Serving Entity for the Customers that are assessed on the Authority by the NYISO under the provisions of its OATT or under other applicable tariffs; and

F. Any charges assessed on the Authority with respect to the provision of Electric Service to Customers for facilities needed to maintain reliability and incurred in connection with the NYISO's Comprehensive System Planning Process (or similar reliability-related obligations incurred by the Authority with respect to Electric Service to the Customer), applicable tariffs, or required to be paid by the Authority in accordance with law, regardless of whether such charges are assessed by the NYISO or another party.

The NYISO Charges, if any, incurred by the Authority on behalf of the Customer, are in addition to the Authority production charges that are charged to the Customer in accordance with other provisions of this Service Tariff.

The method of billing NYISO charges to the Customer will be based on Authority's discretion.

4. Taxes Defined

Taxes shall be any adjustment as the Authority deems necessary to recover from the Customer any taxes, assessments or any other charges mandated by federal, state or local agencies or authorities that are levied on the Authority or that the Authority is required to collect from the Customer if and to the extent such taxes, assessments or charges are not recovered by the Authority pursuant to another provision of this Service Tariff.

5. Substitute Energy

The Customer shall pay for Substitute Energy, if applicable, as specified in the Agreement.

6. Payment Information

Bills computed under this Service Tariff are due and payable by electronic wire transfer in accordance with the Rules. Such wire transfer shall be made to J P Morgan Chase NY, NY / ABA021000021 / NYPA A/C # 008-030383, unless otherwise indicated in writing by the Authority. The Authority may in its discretion change the foregoing account and routing information upon notice to the Customer.

7. Billing Disputes

In the event that there is a dispute on any items of a bill rendered by the Authority, the Customer shall pay such bill in full. If necessary, any adjustments will be made thereafter.

G. Rendition and Payment of Bills

1. The Authority will render bills to the Customer for Electric Service on or before the tenth (10^{th}) business day of the month for charges due for the previous Billing Period. Such bills shall include charges for Electric Service, NYISO Charges associated with the Allocation (subject to adjustment consistent with any later NYISO re-billings to the Authority), and all other applicable charges, and are subject to adjustment as provided for in the Agreement, the Service Tariff and the Rules.

2. The Authority will charge and collect from the Customer all Taxes (including local, state and federal taxes) the Authority determines are applicable, unless the Customer furnishes the Authority with proof satisfactory to the Authority that (i) the Customer is exempt from the payment of any such Taxes, and/or (ii) the Authority is not obligated to collect such Taxes from the Customer. If the Authority is not collecting Taxes from the Customer based on the circumstances described in (i) or (ii) above, the Customer shall immediately inform the Authority of any change in circumstances relating to its tax status that would require the Authority to charge and collect such Taxes from the Customer.

3. Unless otherwise agreed to by the Authority and the Customer in writing, the Authority will render bills to the Customer electronically.

4. Payment of bills by the Customer shall be due and payable by the Customer within twenty (20) days of the date the Authority renders the bill.

5. Except as otherwise agreed by the Authority in writing, if the Customer fails to pay any bill when due an interest charge of two percent of the amount unpaid will be added thereto as liquidated damages, and thereafter, as further liquidated damages, an additional interest charge of one and one-half percent of the sum unpaid shall be added on the first day of each succeeding Billing Period until the amount due, including interest, is paid in full.

6. If at any time after commencement of Electric Service the Customer fails to make complete payment of any two (2) bills for Electric Service when such bills become due pursuant to Agreement, the Authority shall have the right to require that the Customer deposit with the Authority a sum of money in an amount equal to all charges that would be due under this Agreement for Electric Service for two (2) consecutive calendar months as estimated by the Authority. Such deposit will be deemed security for the payment of unpaid bills and/or other claims of the Authority against the Customer upon termination of Electric Service. The failure or refusal of the Customer to provide the deposit within thirty (30) days of a request for such deposit will be grounds for the Authority in its discretion to suspend Electric Service to the Customer or terminate the Agreement.

   Unless otherwise agreed to by the Authority and the Customer in writing, in the event the Customer disputes any item of any bill rendered by Authority, the Customer shall pay such bill in full within the time provided for by this Agreement, and adjustments, if appropriate, will be made thereafter.

H. Adjustment of Charges – Distribution Losses

The Authority will make appropriate adjustments to compensate for distribution losses of the local electric utility.

I. Conflicts

In the event of any inconsistencies, conflicts, or differences between the provisions of this Service Tariff and the Rules, the provisions of this Service Tariff shall govern. In the event of any inconsistencies, conflicts or differences between the provisions of the Agreement and this Service Tariff or the Rules, the provisions of the Agreement shall govern.

V. Annual Adjustment Factor

A. Adjustment of Rates

1. The AAF will be based upon a weighted average of three indices described below. For each new Rate Year, the index value for the latest available calendar year ("Index Value for the Measuring Year") will be compared to the index value for the calendar year immediately preceding the latest available calendar year (the Index Value for the Measuring Year -1"). The change for each index will then be multiplied by the indicated weights. As described in detail below, these products are then summed, producing the AAF. The AAF will be multiplied by the base rate for the current Rate Year to produce the base rates for the new Rate Year, subject to a maximum adjustment of ±5.0% ("±5% Collar"). Amounts outside the ±5% Collar shall be referred to as the "Excess."

   Index 1, "BLS Industrial Power Price" (35% weight): The average of the monthly Producer Price Index for Industrial Electric Power, commodity code number 0543, not seasonally adjusted, as reported by the U.S. Department of Labor, Bureau of Labor Statistics ("BLS") electronically on its internet site and consistent with its printed publication, "Producer Price Index Detailed Report". For Index 1, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

   Index 2, "EIA Average Industrial Power Price" (40% weight): The average weighted annual price (as measured in cents/kWh) for electric sales to the industrial sector in the ten states of CT, MA, ME, NH, NJ, NY, OH, PA, RI and VT ("Selected States") as reported by Coal and Electric Data and Renewables Division; Office of Coal, Nuclear, Electric and Alternate Fuels; Energy Information Administration ("EIA"); U.S. Department of Energy Form EIA-861 Final Data File. For Index 2, the Index Value for the Measuring Year will be the index for the calendar year two years preceding July 1 of the new Rate Year.

   Index 3, "BLS Industrial Commodities Price Less Fuel" (25% weight): The monthly average of the Producer Price Index for Industrial Commodities less fuel, commodity code number 03T15M05, not seasonally adjusted, as reported by the U.S. Department of Labor, BLS electronically on its internet site and consistent with its printed publication, "Producer Price Index Detailed Report". For Index 3, the Index Value for the Measuring Year will be the index for the calendar year immediately preceding July 1 of the new Rate Year.

2. Annual Adjustment Factor Computation Guide

   Step 1: For each of the three Indices, divide the Index Value for Measuring Year by the Index Value for the Measuring Year-1.

   Step 2: Multiply the ratios determined in Step 1 by percentage weights for each Index. Sum the results to determine the weighted average. This is the AAF.

   Step 3: Commencing RY 2014, modifications to the AAF will be subject to ±5% Collar, as described below.

   a) When the AAF falls outside the ±5% Collar, the Excess will be carried over to the subsequent RY. If the AAF in the subsequent RY is within the ±5% Collar, the current RY Excess will be added to/subtracted from the subsequent Rate Year's AAF, up to the ±5% Collar.

b) Excesses will continue to accrue without limit and carry over such that they will be added to/subtracted from the AAF in any year where the AAF is within the ±5% Collar.

Step 4: Multiply the current Rate Year base rate by the AAF calculated in Step 2 to determine the new Rate Year base rate.

The foregoing calculation shall be performed by the Authority consistent with the sample presented in Section V.B below.

3. Subject to the provisions of Section III.A of this Service Tariff, the Authority shall provide the Customer with notice of any adjustment to the current base rate per the above and with all data and calculations necessary to compute such adjustment by June 15th of each year to be effective on July 1 of such year, commencing in 2014. The values of the latest officially published (electronically or otherwise) versions of the indices and data provided by the BLS and EIA as of June 1 shall be used notwithstanding any subsequent revisions to the indices.

4. If during the term of the Agreement any of the three above indices ceases to be available or ceases to be reflective of the relevant factors or of changes which the indices were intended to reflect, the Customer and the Authority may mutually select a substitute Index. The Customer and the Authority agree to mutually select substitute indices within 90 days, once one of them is notified by the other that the indices are no longer available or no longer reflect the relevant factors or changes which the indices were intended to reflect. Should the 90-day period cover a planned July 1 rate change, the current base rates will remain in effect until substitute indices are selected and the adjusted rates based on the substitute indices will be retroactive to the previous July 1. If the Customer and Authority are unable to reach agreement on substitute indices within the 90-day period, the Customer and the Authority agree to substitute the mathematic average of the PPI—Intermediate Materials, Supplies and Components (BLS Series ID WPUSOP2000) and the PPI-- Finished Goods (BLS Series ID WPUSOP3000) indices for one or more indices that have ceased to be available or reflective of their intended purpose and shall assume the percentage weighting(s) of the one or more discontinued indices as indicated in Section V.A.1.

B. Sample Computation of the AAF (hypothetical values for July 1, 2014 implementation):

STEP 1

Determine the Index Value for the Measuring Year (MY) and Measuring Year - 1 (MY-1) for Each Index

- Index 1 - Producer Price Index, Industrial Power

	Measuring Year (2013)	Measuring Year - 1 (2012)
January	171.2	167.8
February	172.8	167.6
March	171.6	168.2
April	173.8	168.6
May	175.1	171.6
June	185.7	180.1
July	186.4	182.7
August	184.7	179.2
September	185.5	181.8
October	175.5	170.2
November	172.2	168.8
December	171.8	166.6
Average	177.2	172.8
Ratio of MY/MY-1		**1.03**

- Index 2 – EIA Industrial Rate

State	Revenues ($000s)	Sales (MWh)	Avg. Rate (cents/kWh)
Measuring Year (2012)			
CT	590,972	6,814,757	
MA	1,109,723	13,053,806	
ME	328,594	4,896,176	
NH	304,363	2,874,495	
NJ	1,412,665	15,687,873	
NY	2,001,588	26,379,314	
OH	3,695,978	78,496,166	
PA	3,682,192	63,413,968	
RI	152,533	1,652,593	
VT	155,903	2,173,679	
TOTAL	13,434,511	215,442,827	**6.24**
Measuring Year -1 (2011)			
CT	579,153	6,678,462	
MA	1,076,431	12,662,192	
ME	310,521	4,626,886	
NH	298,276	2,817,005	
NJ	1,370,285	15,217,237	
NY	1,891,501	24,928,452	
OH	3,622,058	76,926,243	
PA	3,571,726	61,511,549	
RI	144,144	1,561,700	
VT	152,785	2,130,205	
TOTAL	13,016,880	209,059,931	**6.23**
Ratio of MY/MY-1			**1.00**

- Index 3 – Producer Price Index, Industrial Commodities Less Fuel

	Measuring Year (2013)	Measuring Year -1 (2012)
January	190.1	187.2
February	190.9	188.0
March	191.6	188.7
April	192.8	189.9
May	194.7	191.8
June	195.2	192.3
July	195.5	192.3
August	196.0	193.1
September	196.1	193.2
October	196.2	193.8
November	196.6	193.7
December	196.7	194.0
Average	194.4	191.5
Ratio of MY/MY-1		**1.02**

STEP 2

Determine AAF by Summing the Weighted Indices

Index	Ratio of MY to MY-1	Weight	Weighted Factors
PPI Industrial Power	1.03	0.35	0.361
EIA Industrial Rate	1.00	0.40	0.400
PPI Industrial Commodities less fuel	1.02	0.25	0.255
AAF			**1.016**

STEP 3

Apply Collar of ±5.0% to Determine the Maximum/Minimum AAF.

-5.0% < 1.6% < 5.0%; collar does not apply, assuming no cumulative excess.

STEP 4

Apply AAF to Calculate the New Rate Year Base Rate

	Demand $/kW-mo.	Energy $/MWh
Current Rate Year Base Rate	7.56	12.91
New Rate Year Base Rate	7.68	13.12

NYPA PUBLIC MEETING

VIDEOCONFERENCE

May 15, 2025

2:00 p.m. - 6:00 p.m.

Big Heart Pet Brands, Inc.,

and

Rosina Food Products, Inc.

MICHELE STOCKWELL: Good afternoon. This is a public hearing required by law and authorized by the New York Power Authority's Board of Trustees on a proposed form of contract for the sale of hydropower to Big Heart Pet Brands, Inc. And Rosina Food Products, Inc.

My name is Michele Stockwell. I am the Authority's Senior Assistant Corporate Secretary.

New York State Public Authorities Law, Section 1009 sets forth procedures for executing certain contracts negotiated by the Authority. First, prior to the hearing, it requires that notice of the hearing be provided. Therefore, a notice was sent to the Governor, the Senate's President Pro Tempore, the Senate Minority Leader, the Senate Finance Committee Chair, the Assembly Speaker, the Assembly Minority Leader, and the Assembly Ways and Means Committee Chair.

In addition, notices appeared once a week for the four weeks leading up to this hearing in the following newspapers: Niagara Gazette, Buffalo News, Buffalo Business First, Niagara County Tribune, Albany Times Union, and Dunkirk Observer.

The public was also given access to the

proposed contract on the Authority's website during the 30-day period prior to today's meeting -- today's hearing.

After the hearing, the public will be given access to the hearing transcript once it is completed at www.NYPA.gov.

The next step in the process set forth in Section 1009, will be for the NYPA Trustees to reconsider the proposed contract in light of public comments.

Once the Trustees have completed their final review, the contract will be forwarded to the Governor for her consideration and approval.

If you plan to make an oral statement at this hearing, I ask that you please indicate it on the sign-in sheet.

Also, if you have a written statement, you can mail or email the Corporate Secretary at 123 Main Street, 9B, White Plains, New York 10601, or email at secretarys.office@nypa.gov.

Written statements may be of any length and will appear in the record of the hearing in addition to oral statements.

The record of the hearing will remain open for additional comments to close of business May

16, 2025.

At this point, I would like to introduce Emily Alkiewicz, Director of Power Contracts and Tariffs, who will provide additional details on the proposed customer contract.

EMILY ALKIEWICZ: Thank you, Ms. Stockwell.

Good afternoon. I'm Emily Alkiewicz, the Director of Power Contracts and Tariffs within NYPA's Customer Solutions Department.

I'm here today to present a summary of the proposed contract for Big Heart Pet Brand, Inc., as well as a proposed contract for Rosina Food Products, Inc.

Regarding the two proposed contracts, under Public Authorities Law Section 1005(13), the Authority may allocate and sell directly, or by sale for resale, 250 megawatts of expansion power, known as EP, and 445 megawatts of replacement power, known as RP, to businesses located within 30 miles of the Niagara Power Project, provided that the amount of EP allocated to businesses in Chautauqua County on January 1, 1987 shall continue to be allocated in Chautauqua County.

At their March 25, 2025 meeting, the NYPA Trustees approved a 700 kW allocation of BP for

the term of 10 years to Big Heart Pet Brands, Inc., based on commitments of creating at least 17 new full-time jobs and making a capital investment of at least $52,660,000 at the Buffalo facility that will use the EP allocation.

The Trustees also provided authorization for a public hearing in accordance with the Public Authorities Law 1009 on a proposed form of contract with Big Heart that would, along with Authority Service Tariff Number WNY-2, apply to the sale of EP to Big Heart.

Big Heart is a manufacturer and distributor of pet food products which have been produced at its Buffalo site since 1957. The company has a portfolio of brands, including Milk-Bone, Meow Mix, Pup-Peroni, Canine Carry Outs, and Milo's Kitchen. The Buffalo site currently employs 283 full-time positions.

The company is proposing to relocate its soft and chewy dog treat brand to a larger space within its facility and add processing equipment to support a new production line. The project would subsequently convert current soft and chewy processing equipment to support the production of dog biscuits. The project would support

significant expansion of the company's soft and chewy product line. Big Heart anticipates the project to increase its dog biscuit capacity by approximately 20,000 tons.

The company's expansion would involve a capital investment expenditure of at least $52,660,000. This facility includes construction costs, the installation of four new silos for storage, and the construction of an on-site meat storage freezer.

The site of the proposed expansion is located within a disadvantaged community. According to the company's application for hydropower, they have been considered under NYPA's Diversity, Equity, and Inclusion Evaluation Incentive Plan, approved by the Board of Trustees on December 7, 2021.

Big Heart is planning to begin the initial phases of the project this year, with additional phases targeted for completion in 2027.

At their March 25, 2025 meeting, the NYPA Trustees also approved a 4,500 kW allocation of EP for the term of 10 years to Rosina Food Products, Inc., based on commitments of creating at least 95 new full-time jobs and making a capital investment

of at least $50 million at two of its West Seneca facilities that will use the EP allocation.

The Trustees also approved authorization for a public hearing in accordance with the Public Authorities Law 1009 on a proposed form of the contract with Rosina that, along with the Authority Service Tariff Number WNY-2, would apply to the sale of EP to Rosina.

Founded in 1963, Rosina manufactures a wide variety of Italian-style frozen food products, including meatballs, sausage, pasta, eggplant, and pizza toppings. The expansion would be at its two West Seneca manufacturing plants. These two plants have a combined 425 full-time jobs.

Rosina is proposing a two-phase expansion project at its West Seneca facilities. Phase one would include a 32,000-square-foot expansion of its frozen meatball production plant at 3100 Clinton Street. And phase two would include a 30,000-square-foot expansion of its tortellini and ravioli manufacturing site at 75 Empire Drive.

The expansion project would significantly increase production volume, which would reduce the need for out-of-state co-manufacturing vendors.

The meatball plant expansion would require

equipment purchases, including grinders, mixers, meatball formers, ovens, freezers, and packaging equipment. The pasta plant expansion would require expenditures including mixers, extruders, tortellini and ravioli formers, blanchers, freezers, and packaging, along with boxing machines.

In all, the capital investment expenditures include $35 million for facility construction costs and 15 million for new machinery and equipment.

Rosina is planning to begin the initial phases of this project this year, with additional phases targeted for completion in 2026.

The following is a summary of pertinent provisions in the proposed contracts: The contracts provide for the direct billing of all hydropower supply charges and all New York Independent System Operator, Inc., NYISO charges and taxes.

The contracts include customer agreed-upon commitments with respect to employment, capital investment, and power utilization.

Under the contracts, the Authority may reduce or terminate the allocation if employment,

power utilization, or capital investment commitments are not met.

Relatedly, the contract includes an annual job reporting requirement and a job compliance threshold of 90 percent. Should the companies' average annual employment fall below the compliance threshold of 90 percent of the employment commitment, the Authority may reduce the amount of the allocation.

The contract provides for the company to perform an energy audit at its facility at least once within five years, helping to ensure that the customer uses the hydropower efficiently.

To assess non-payment risks that could result from the direct billing arrangement, this contract includes commercially reasonable provisions concerning the Authority's ability to charge late payment fees and to require deposits in the event of a customer's failure to make payment for any two monthly bills.

These contract provisions are consistent with other Authority and direct subcontracts, including the Recharge New York sales contracts.

The contract provides for the collection of a zero-emission credit charge and a renewable

energy credit charge to allow the Authority to recover costs it would incur relating to its purchase of zero-emission credits and renewable energy credits attributable to the customer's load.

The contracts will address the allocation along with the Authority's Service Tariff WNY-2, which specifies rates and other terms applicable to the EP and RP allocations.

Transmission and delivery service for the allocations will be provided by the customer's local utility in accordance with the utility's public service commission-approved delivery service tariffs.

In conclusion, as Ms. Stockwell stated earlier, the Authority will accept your comments on the proposed contracts until the close of business on Friday, May 16th.

I will now turn the hearing back to Ms. Stockwell.

MICHELE STOCKWELL: Thank you, Ms. Alkiewicz.

Since no one has signed up to speak at the hearing, we will recess and reconvene as speakers arrive.

(Off the record.)

MICHELE STOCKWELL: Good evening, everyone. It's now 6:00 p.m.; as I previously stated, the record of the hearing will remain open for additional comments through the close of business Friday, May 16, 2025.

The May 15, 2025, public hearing on the proposed sale of hydropower to Big Heart Pet Brands, Inc., and Rosina Food Brand Products, Inc., is now officially closed.

Thank you, everyone, and good night.

(Thereupon, the public hearing was concluded.)

CERTIFICATE OF REPORTER

- - -

I, Jackie Mentecky, Court Stenographer, certify that I was authorized to and did stenographically report the foregoing proceedings and that the transcript, pages 1 through 12, is a true and complete record of my stenographic notes.

Dated this 16th day of May 2025.

/s/ Jackie Mentecky

_____
Jackie Mentecky,
Court Stenographer

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: **July 29, 2025**

To: **THE TRUSTEES**

From: **THE PRESIDENT and CHIEF EXECUTIVE OFFICER**

SUBJECT: **Extension of Hydropower Contracts with Upstate Investor-Owned Utilities for the Benefit of Rural and Domestic Consumers and Notice of Public Hearing**

SUMMARY

The Trustees are requested to approve: (1) extensions of allocations totaling 360 megawatts ("MW") of firm "peaking" hydropower for a term of one year through December 31, 2026, to Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid"), New York State Electric and Gas Corporation ("NYSEG") and Rochester Gas and Electric Corporation ("RGE") (collectively, the "Utilities"); and (2) associated contracts that would amend existing contracts between the Authority and each of the Utilities to provide for the continued sale of the extended peaking allocations (collectively, the "2025 Amendments"). The 2025 Amendments, each entitled "2025 Amendment to 1990 Service Agreement," are attached as Exhibit "A" (National Grid), Exhibit "B" (NYSEG) and Exhibit "C" (RGE), respectively. The current peaking power allocations and the current contracts providing for their sale to the Utilities are scheduled to expire on December 31, 2025.

The proposed 2024 Amendments are subject to the public hearing and gubernatorial review process in Public Authorities Law ("PAL") § 1009. Accordingly, the Trustees are further requested to authorize: (1) a public hearing on the proposed 2025 Amendments; (2) transmittal of the 2025 Amendments to the Governor and legislative leaders as provided for in PAL § 1009; and (3) if necessary, the execution of the 2025 Amendments to provide for the sale of the allocations on a short-term, month-to-month basis pending completion of the public hearing and gubernatorial approval process.

BACKGROUND

In accordance with hydropower contracts signed with the Utilities in 1990 ("1990 Hydro Contracts") and certain extensions of such contracts, the Utilities have purchased both firm power and firm peaking power from the St. Lawrence/FDR and Niagara Power Projects.

The Utilities have purchased such power at the Authority's cost-based hydropower rate, the benefits of which have been passed on to the Utilities' residential and small farm customers (also referred to as their rural and domestic or "R&D" consumers) without markup, through the electric service provided by the Utilities under their retail tariffs.

Chapter 60 (Part CC) of the Laws of 2011 created the Recharge New York Power Program ("RNY Program"). This law authorized the Authority to redeploy firm hydropower previously allocated to the Utilities for use in the RNY Program. *See* PAL § 1005(13-a).

Effective August 1, 2011, the Authority withdrew the firm power allocations from the Utilities in accordance with the 1990 Hydro Contracts and Part CC, and terminated the firm power allocations of 189 MW for National Grid, 167 MW for NYSEG and 99 MW for RGE. The Authority has continued to sell the firm peaking power to the Utilities for the benefit of their domestic and rural customers.

Beginning in 2014, the Authority extended the peaking power allocations and terms of each of the 1990 Hydro Contracts for 3-year terms. The 1990 Hydro Contracts for NYSEG and RGE, as extended, provide for the sale of the peaking power through December 31, 2023. National Grid did not extend its 1990 Hydro Contract initially in 2020, but in 2022 signed an agreement with the Authority to recommence electric service Under 1990 Service Agreement for 175 MW firm peaking power. National Grid's agreement is through December 31, 2023.

In 2023, the Authority extended the peaking power allocations and terms of each of the 1990 Hydro Contracts for a one-year term providing for the sale of the peaking power through December 31, 2024. In 2024, the Authority extended the peaking power allocations and terms of each of the 1990 Hydro Contracts for a one-year term providing for the sale of the peaking power through December 31, 2025. The proposed 2025 Amendments will provide for an additional a one-year extension through December 31, 2026.

DISCUSSION

The proposed 2025 Amendments would continue the sale of 360 MW of firm peaking hydropower to the Utilities, which consists of 175 MW for National Grid, 150 MW for NYSEG and 35 MW for RGE. These peaking power allocations would continue to allow the Authority to pass on the benefits of the firm peaking power to the Utilities' R&D consumers.

The Authority anticipates reaching agreement with the Utilities on the terms of the extensions of the 1990 Hydro Contracts covering the sale of the firm peaking power for one additional year through December 31, 2026, subject to termination by the Authority upon thirty days' written notice to the Utilities.

As noted, the proposed 2025 Amendments are subject to the public hearing and gubernatorial review process provided for in PAL § 1009. Accordingly, staff further recommends that the Trustees authorize a public hearing on the final proposed 2025 Amendments. In addition, because the 2024 extensions are scheduled to expire on December 31, 2025, staff recommends that the Authority be authorized to execute the 2025 Amendments providing for the sale of the peaking power allocations on a month-to-month basis pending completion of the public hearing and gubernatorial approval process. In the unlikely event that gubernatorial approval is not received, the extensions would expire on the last day of the month following disapproval or the date by which the Governor is required to act on the contracts.

FISCAL INFORMATION

The proposed 2025 Amendments would provide that the Utilities continue to pay for firm peaking hydropower at the cost-based rates that are charged to the Authority's Preference Power customers in accordance with the Authority's rate-setting methodologies and principles. Accordingly, there will be no fiscal impact to the Authority associated with these contract extensions.

RECOMMENDATION

The Senior Vice President – Customer Solutions recommends that the Trustees: (i) approve extension of the peaking power allocations for a term of one year through December 31, 2026; (ii) approve the proposed 2025 Amendments, the current versions of which are attached hereto as Exhibits “A,” “B” and “C”; (iii) authorize the Corporate Secretary to convene a public hearing on the final negotiated 2025 Amendments and transmit copies of such extensions to the Governor and legislative leaders pursuant to PAL § 1009; and (iv) authorize staff to execute final negotiated 2025 Amendments which would provide for the sale of firm peaking power on a month-to-month basis, if necessary, pending completion of the public hearing and gubernatorial approval process.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Justin E. Driscoll
President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, That an extension of allocations of firm peaking power (175 megawatts ("MW") for Niagara Mohawk Power Corporation d/b/a National Grid, 150 MW for New York State Electric and Gas Corporation, and 35 MW for Rochester Gas and Electric Corporation) through December 31, 2026 is hereby approved; and be it further

RESOLVED, That each proposed "2025 Amendment to 1990 Service Agreement" attached to the foregoing Memorandum (collectively, the "2025 Amendments"), is hereby approved; and be it further

RESOLVED, That the Corporate Secretary be, and hereby is, authorized to transmit copies of the proposed 2025 Amendments to the Governor, the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee pursuant to Public Authorities Law ("PAL") § 1009; and be it further

RESOLVED, That the Corporate Secretary be and hereby is authorized to convene a public hearing on the proposed 2025 Amendments in accordance with the procedures set forth in PAL § 1009; and be it further

RESOLVED, That the Senior Vice President – Customer Solutions or her designee be, and hereby is, authorized, subject to approval of the form thereof by the Executive Vice President and General Counsel, to negotiate and execute any and all documents necessary or desirable to implement the final 2025 Amendments on a month-to-month basis, if necessary, pending gubernatorial approval of the 2025 Amendments as set forth in the foregoing

memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President/General Counsel.

2025 Amendment to 1990 Service Agreement

This 2025 Amendment to the 1990 Service Agreement, dated this __ day of December, 2025 is made between Niagara Mohawk Power Corporation, d/b/a National Grid ("Company") and the Power Authority of the State of New York ("Authority").

WHEREAS, the Company and the Authority are parties to an agreement dated February 22, 1989 under which the Authority has sold certain quantities of hydroelectric power and energy in accordance with Authority Service Tariff ("ST") No. 41 and ST. No. 42 from Authority's Niagara and St. Lawrence Projects to Company for resale to its rural and residential consumers (the "1990 Service Agreement").

WHEREAS, the Company and Authority have previously modified and extended the 1990 Service Agreement, most recently by the "2024 Amendment to 1990 Service Agreement" (the "2024 Agreement").

WHEREAS, by letter dated June 29, 2011, Authority withdrew all 189 MW of Firm Hydroelectric Power and Energy allocated under ST No. 41 and terminated service under the 1990 Service Agreement under ST No. 41 with respect to all 189 MW of Firm Hydroelectric Power and Energy, effective August 1, 2011, for use in the Recharge New York Power Program created pursuant to Chapter 60 (Part CC) of the Laws of 2011 (the "Firm Power and Energy Withdrawal/Termination").

WHEREAS, Company and Authority agree to further modify and extend certain terms of the 1990 Service Agreement as follows:

1) As a result of the Authority's Firm Power and Energy Withdrawal/Termination, the amount of Firm Hydroelectric Power and Energy allocated to Company under ST No. 41 is zero (0), and the Firm Peaking Power allocation of 175 MW under ST No. 42 will remain unchanged.

2) Article E - Rates. The current text is deleted in its entirety and is replaced with the following text.

> "The rates charged by the Authority under this Agreement shall be established in accordance with this Article.
>
> The Authority shall charge, and Company shall pay the preference power rates in effect, as such rates may be revised from time to time. Company waives any and all objections, suits, appeals or other challenges to the preference power rates adopted by the Authority, except as otherwise provided for below.
>
> Company waives any challenges to any of the following methodologies and principles used by the Authority to set future preference power rates, numbers (i) through (vii) as set forth in the "January 2003 Report on Hydroelectric Production Rates" as modified by the April 2003 "Staff Analysis of Public Comments and Recommendations":
>
> (i) The principles set forth in the March 5, 1986 Settlement Agreement

settling *Auer v. Dyson*, No, 81-124 (Sup. Ct. Oswego Co.), *Auer v. Power Authority*, index No. 11999-84 (Sup. Ct. N.Y. Co.) and *Delaware County Electric Cooperative, Inc. v. Power Authority*, 82 Civ. 7256 (S.D.N.Y.) (the "*Auer* Settlement").

(ii) Recovery of capital costs using Trended Original Cost and Original Cost methodologies.

(iii) Treatment of sales to third parties, including the New York Independent System Operator.

(iv) Allocation of Indirect Overheads.

(v) Melding of costs of the Niagara Power Project and St. Lawrence-FDR Power Project for ratemaking.

(vi) Post-employment benefits other than pensions (i.e., retiree health benefits).

(vii) Rate Stabilization Reserve (RSR) methodology.

In the event the Authority ceases to employ any of the methodologies and principles enumerated above, the Company shall have the right to take any position whatsoever with respect to such methodology or principle, but shall not have the right to challenge any of the remaining methodologies and principles that continue to be employed by the Authority."

3) Article F - Transmission. The current text is deleted in its entirety and is replaced with the following text.

"In accordance with the terms of the existing transmission service agreement, which by its terms will expire on August 31, 2007, Company will cease taking transmission service from Authority and will instead take transmission service under the New York Independent System Operator's ("NYISO") Open Access Transmission Tariff. Company agrees to settle any outstanding transmission charges that may apply prior to September 1, 2007 including any subsequent NYISO true up settlements."

4) Article G - Notification. In the contact address for Authority replace "10 Columbus Circle, New York, NY 10019" with "123 Main Street, White Plains, NY 10601".

5) Article K - Restoration of Withdrawn Power and/or Energy is deleted in its entirety.

6) Article L - Term of Service, is revised to read as follows:

"Service under this contract shall commence at 12:01 A.M. on January 1, 1990 and shall continue unless cancelled as provided for In the "Withdrawals of Power and/or Energy" or the "Cancellation or Reduction" provisions until December 31,

2026, subject to earlier termination by the Authority at any time with respect to any or all of the quantities of power and energy provided hereunder on at least thirty (30) days' prior written notice to Company."

7) Article M - Availability of Energy - Firm and Firm Peaking Hydroelectric Power Service. In the third paragraph, line 1, starting with the words "In the event that..." through "... minimize the impact of such reductions." on line 10, replace with the following:

> "The Authority will have the right to reduce on a pro rata basis the amount of energy provided to Company under Service Tariff No. 42 if such reductions are necessary due to low flow (i.e. hydrologic) conditions at the Authority's Niagara Project hydroelectric generating station. In the event that hydrologic conditions require the Authority to reduce the amount of energy provided to Company, reductions as a percentage of the otherwise required, energy deliveries will be the same for all firm Niagara Project customers. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Company in later billing periods. The offer of Energy for delivery shall fulfill the Authority's obligations for purposes of this Provision whether or not the Energy is taken by the Company. The Authority shall provide reasonable notice to Company of any condition or activities that could result, or have resulted, in low flow conditions consistent with the notice provided to other similarly affected customers."

8) This amendment shall be referred to as the "2025 Amendment to the 1990 Service Agreement".

9) Continuation of service under this 2025 Amendment to the 1990 Service Agreement shall be subject to approval of this 2025 Amendment to the 1990 Service Agreement by the Governor of the State of New York pursuant to Public Authorities Law § 1009. If the Governor disapproves this 2025 Amendment to the 1990 Service Agreement, service will cease on the last day of the month following the month during which the Governor disapproved this 2025 Amendment to the 1990 Service Agreement. If the Governor takes no action within the time frame provided for in Public Authorities Law § 1009, service will cease on the last day of the month following the month during which such timeframe expired.

10) Except as expressly provided in this 2025 Amendment to the 1990 Service Agreement, the 1990 Service Agreement shall remain unchanged and in full force and effect.

11) This 2025 Amendment to the 1990 Service Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts and to be performed in such state, without regard to conflict of laws principles.

12) This 2025 Amendment to the 1990 Service Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signature thereto and hereto were upon the same instrument.

13) Upon approval of the Governor of the State of New York pursuant to Public Authorities Law § 1009, and upon execution by the Chairman of the Authority, this 2025

Amendment to the 1990 Service Agreement shall come into full force and effect, provided however that pending such gubernatorial approval and execution, this 2025 Amendment to the 1990 Service Agreement shall take effect upon the expiration of the 2024 Agreement and continue on a month to month basis.

14) This 2025 Amendment to the 1990 Service Agreement may be amended or modified by written agreement signed by the Authority and the Company.

AGREED:

Niagara Mohawk Power Corporation, d/b/a National Grid

By: _____

Name: _____

Title: _____

Date: _____

Power Authority of the State of New York

By: _____
Name: John R. Koelmel
Title: Chairman

Date: _____

2025 Amendment to 1990 Hydropower Contract

This 2025 Amendment to the 1990 Hydropower Contract, dated this __ day of December, 2025 is made between New York State Electric & Gas Corporation ("Company") and the Power Authority of the State of New York ("Authority").

WHEREAS, the Company and the Authority are parties to an agreement dated February 22, 1989 under which the Authority sells certain quantities of hydroelectric power and energy from Authority's Niagara and St, Lawrence Projects to Company for resale to its rural and residential consumers (the "1990 Hydropower Contract").

WHEREAS, Authority, Rochester Gas and Electric Corporation ("RGE") and Company are also parties to a letter agreement dated February 14, 2008, which modified Article D - Regulation of Rates and Charges as it pertained to the calculation of the monthly savings realized by the customers of Company and RGE from the purchase of Authority hydropower.

WHEREAS, Company and Authority have previously modified and extended the 1990 Hydropower Contract, most recently by the "2024 Amendment to 1990 Hydropower Contract" (the "2024 Amendment").

WHEREAS, by letter dated June 29, 2011, Authority withdrew all 167 MW of Firm Hydroelectric Power and Energy allocated under Service Tariff No. 41 and terminated service under the 1990 Hydropower Contract with respect to all 167 MW of Firm Hydroelectric Power and Energy, effective August 1, 2011, for use in the Recharge New York Power Program created pursuant to Chapter 60 (Part CC) of the Laws of 2011 (the "Firm Power and Energy Withdrawal/Termination").

WHEREAS, Company and Authority agree to further modify and extend certain terms of 1990 Hydropower Contract as follows:

1) As a result of the Authority's Firm Power and Energy Withdrawal/Termination, the amount of Firm Hydroelectric Power and Energy allocated to Company under Service Tariff No. 41 is zero (0). The Firm Peaking Power allocation of 150 MW under Service Tariff No. 42 will remain unchanged.

2) Article E - Rates. The current text is deleted in its entirety and is replaced with the following text.

> "The rates charged by the Authority under this Agreement shall be established In accordance with this Article.
>
> The Authority shall charge, and Company shall pay the preference power rates in effect, as such rates may be revised from time to time. Company waives any and all objections, suits, appeals or other challenges to the preference power rates adopted by the Authority, except as otherwise provided for below.
>
> Company waives any challenges to any of the following methodologies and principles used by the Authority to set future preference power rates, numbers (i) through (vii) as set forth in the "January 2003 Report on Hydroelectric Production

Rates" as modified by the April 2003 "Staff Analysis of Public Comments and Recommendations":

(i) The principles set forth in the March 5, 1986 Settlement Agreement settling *Auer v. Dyson*, No, 81-124 (Sup. Ct. Oswego Co.), *Auer v. Power Authority*, index No. 11999-84 (Sup. Ct. N.Y. Co.) and *Delaware County Electric Cooperative, Inc. v. Power Authority*, 82 Civ. 7256 (S.D.N.Y.) (the "*Auer* Settlement").

(ii) Recovery of capital costs using Trended Original Cost and Original Cost methodologies.

(iii) Treatment of sales to third parties, including the New York Independent System Operator.

(iv) Allocation of Indirect Overheads.

(v) Melding of costs of the Niagara Power Project and St. Lawrence-FDR Power Project for ratemaking.

(vi) Post-employment benefits other than pensions (i.e., retiree health benefits).

(vii) Rate Stabilization Reserve (RSR) methodology.

In the event the Authority ceases to employ any of the methodologies and principles enumerated above, the Company shall have the right to take any position whatsoever with respect to such methodology or principle, but shall not have the right to challenge any of the remaining methodologies and principles that continue to be employed by the Authority."

3) Article F - Transmission. The current text is deleted in its entirety and is replaced with the following text.

"In accordance with the terms of the existing transmission Hydropower Contract, which by its terms will expire on August 31, 2007, Company will cease taking transmission service from Authority and will instead take transmission service under the New York Independent System Operator's ("NYISO") Open Access Transmission Tariff. Company agrees to settle any outstanding transmission charges that may apply prior to September 1, 2007 including any subsequent NYISO true up settlements."

4) Article G - Notification. In the contact address for Authority replace "10 Columbus Circle, New York, NY 10019" with "123 Main Street, White Plains, NY 10601". For Company, delete the current reference in its entirety and replace with the following "Patrick W. Fox, Senior Director, NY Energy Services, New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation, 18 Link Drive, P.O. Box 5224, Binghamton, New York 13902-5224".

5) Article K - Restoration of Withdrawn Power and/or Energy is deleted in its entirety.

6) Article L - Term of Service, is revised to read as follows:

> "Service under this contract shall commence at 12:01 A.M. on January 1, 1990 and shall continue unless cancelled as provided for in the "Withdrawals of Power and/or Energy" or the "Cancellation or Reduction" provisions until December 31, 2026, subject to earlier termination by the Authority at any time with respect to any or all of the quantities of power and energy provided hereunder on at least thirty (30) days' prior written notice to Company."

7) Article M - Availability of Energy - Firm and Firm Peaking Hydroelectric Power Service. In the third paragraph, line 1, starting with the words "In the event that..." through "... minimize the impact of such reductions." on line 10, replace with the following:

> "The Authority will have the right to reduce on a pro rata basis the amount of energy provided to Company under Service Tariff No. 42 if such reductions are necessary due to low flow (i.e. hydrologic) conditions at the Authority's Niagara Project hydroelectric generating station. In the event that hydrologic conditions require the Authority to reduce the amount of energy provided to the Company, reductions as a percentage of the otherwise required, energy deliveries will be the same for all firm Niagara Project customers. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Company in later billing periods. The offer of Energy for delivery shall fulfill Authority's obligations for purposes of this Provision whether or not the Energy is taken by the Company. The Authority shall provide reasonable notice to the Company of any condition or activities that could result, or have resulted, in low flow conditions consistent with the notice provided to other similarly affected customers."

8) This amendment shall be referred to as the "2025 Amendment to the 1990 Hydropower Contract".

9) Continuation of service under this 2025 Amendment to the 1990 Hydropower Contract shall be subject to approval of this 2025 Amendment to the 1990 Hydropower Contract by the Governor of the State of New York pursuant to Public Authorities Law § 1009. If the Governor disapproves this 2025 Amendment to the 1990 Hydropower Contract, service will cease on the last day of the month following the month during which the Governor disapproved this 2025 Amendment to the 1990 Hydropower Contract. If the Governor takes no action within the time frame provided for in Public Authorities Law § 1009, service will cease on the last day of the month following the month during which such timeframe expired.

10) Except as expressly provided in this 2025 Amendment to the 1990 Hydropower Contract, the 1990 Hydropower Contract shall remain unchanged and in full force and effect.

11) This 2025 Amendment to the 1990 Hydropower Contract shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts and to be performed in such state, without regard to conflict of laws principles.

12) This 2025 Amendment to the 1990 Hydropower Contract may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signature thereto and hereto were upon the same instrument.

13) Upon approval of the Governor of the State of New York pursuant to Public Authorities Law § 1009, and upon execution by the Chairman of the Authority, this 2025 Amendment to the 1990 Hydropower Contract shall come into full force and effect, provided however that pending such gubernatorial approval and execution, this 2025 Amendment to the 1990 Hydropower Contract shall take effect upon the expiration of the 2024 Amendment and continue on a month to month basis.

14) This 2025 Amendment to the 1990 Hydropower Contract may be amended or modified by a written agreement signed by the Authority and the Company.

AGREED:

New York State Electric & Gas Corporation

By: _____
Name: Andrea VanLuling
Title: Controller
Date: _____

By: _____
Name: Patricia Nilsen
Title: Chief Executive Officer
Date: _____

Power Authority of the State of New York

ACCEPTED:

By: _____
Name: John R. Koelmel
Title: Chairman
Date: _____

2025 Amendment to 1990 Hydropower Contract

This 2025 Amendment to the 1990 Hydropower Contract, dated this ___ day of December, 2025 is made between Rochester Gas and Electric Corporation ("Company") and the Power Authority of the State of New York ("Authority").

WHEREAS, the Company and the Authority are parties to an agreement dated February 22, 1989 under which the Authority sells certain quantities of hydroelectric power and energy from Authority's Niagara and St. Lawrence Projects to Company for resale to its rural and residential consumers (the "1990 Hydropower Contract").

WHEREAS, Authority, New York State Electric & Gas Corporation ("NYSEG") and Company are also parties to a letter agreement dated February 14, 2008 which modified Article D - Regulation of Rates and Charges as it pertained to the calculation of the monthly savings realized by the customers of Company and NYSEG from the purchase of Authority hydropower.

WHEREAS, Company and Authority have previously modified and extended the 1990 Hydropower Contract, most recently by the "2024 Amendment to 1990 Hydropower Contract" (the "2024 Amendment").

WHEREAS, by letter dated June 29, 2011, Authority withdrew all 99 MW of Firm Hydroelectric Power and Energy allocated under Service Tariff No. 41 and terminated service under the 1990 Hydropower Contract with respect to all 99 MW of Firm Hydroelectric Power and Energy, effective August 1, 2011, for use in the Recharge New York Power Program created pursuant to Chapter 60 (Part CC) of the Laws of 2011 (the "Firm Power and Energy Withdrawal/Termination").

WHEREAS, Company and Authority agree to further modify and extend certain terms of 1990 Hydropower Contract as follows:

1) As a result of the Authority's Firm Power and Energy Withdrawal/Termination, the amount of Firm Hydroelectric Power and Energy allocated to Company under Service Tariff No. 41 is zero (0). The Firm Peaking Power allocation of 35 MW under Service Tariff No. 42 will remain unchanged.

2) Article E - Rates. The current text is deleted in its entirety and is replaced with the following text.

> "The rates charged by the Authority under this Agreement shall be established in accordance with this Article.
>
> The Authority shall charge, and Company shall pay the preference power rates in effect, as such rates may be revised from time to time. Company waives any and all objections, suits, appeals or other challenges to the preference power rates adopted by the Authority, except as otherwise provided for below.
>
> Company waives any challenges to any of the following methodologies and principles used by the Authority to set future preference power rates, numbers (i) through (vii) as set forth in the "January 2003 Report on Hydroelectric Production

Rates" as modified by the April 2003 "Staff Analysis of Public Comments and Recommendations":

(i) The principles set forth in the March 5, 1986 Settlement Agreement settling *Auer v. Dyson*, No, 81-124 (Sup. Ct. Oswego Co.), *Auer v. Power Authority*, index No. 11999-84 (Sup. Ct. N.Y. Co.) and *Delaware County Electric Cooperative, Inc. v. Power Authority*, 82 Civ. 7256 (S.D.N.Y.) (the "*Auer* Settlement").

(ii) Recovery of capital costs using Trended Original Cost and Original Cost methodologies.

(iii) Treatment of sales to third parties, including the New York Independent System Operator.

(iv) Allocation of Indirect Overheads.

(v) Melding of costs of the Niagara Power Project and St. Lawrence-FDR Power Project for ratemaking.

(vi) Post-employment benefits other than pensions (i.e., retiree health benefits).

(vii) Rate Stabilization Reserve (RSR) methodology.

In the event the Authority ceases to employ any of the methodologies and principles enumerated above, the Company shall have the right to take any position whatsoever with respect to such methodology or principle, but shall not have the right to challenge any of the remaining methodologies and principles that continue to be employed by the Authority."

3) Article F - Transmission. The current text is deleted in its entirety and is replaced with the following text.

"In accordance with the terms of the existing transmission Hydropower Contract, which by its terms will expire on August 31, 2007, Company will cease taking transmission service from Authority and will instead take transmission service under the New York Independent System Operator's ("NYISO") Open Access Transmission Tariff. Company agrees to settle any outstanding transmission charges that may apply prior to September 1, 2007 including any subsequent NYISO true up settlements."

4) Article G - Notification. In the contact address for Authority replace "10 Columbus Circle, New York, NY 10019" with "123 Main Street, White Plains, NY 10601". For Company, delete the current reference in its entirety and replace with the following "Patrick W. Fox, Senior Director, NY Energy Services, New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation, 18 Link Drive, P.O. Box 5224, Binghamton, New York 13902-5224".

5) Article K - Restoration of Withdrawn Power and/or Energy is deleted in its entirety.

6) Article L - Term of Service, is revised to read as follows:

> "Service under this contract shall commence at 12:01 A.M. on January 1, 1990 and shall continue unless cancelled as provided for In the "Withdrawals of Power and/or Energy" or the "Cancellation or Reduction" provisions until December 31, 2026, subject to earlier termination by the Authority at any time with respect to any or all of the quantities of power and energy provided hereunder on at least thirty (30) days' prior written notice to Company."

7) Article M - Availability of Energy - Firm and Firm Peaking Hydroelectric Power Service. In the third paragraph, line 1, starting with the words "In the event that..." through "... minimize the impact of such reductions." on line 10, replace with the following:

> "The Authority will have the right to reduce on a pro rata basis the amount of energy provided to Company under Service Tariff No. 42 if such reductions are necessary due to low flow (i.e. hydrologic) conditions at the Authority's Niagara Project hydroelectric generating station. In the event that hydrologic conditions require the Authority to reduce the amount of energy provided to the Company, reductions as a percentage of the otherwise required, energy deliveries will be the same for all firm Niagara Project customers. The Authority shall be under no obligation to deliver and will not deliver any such curtailed energy to the Company in later billing periods. The offer of Energy for delivery shall fulfill the Authority's obligations for the purposes of this Provision whether or not the Energy is taken by the Company. The Authority shall provide reasonable notice to Company of any condition or activities that could result, or have resulted, in low flow conditions consistent with the notice provided to other similarly affected customers."

8) This amendment shall be referred to as the "2025 Amendment to the 1990 Hydropower Contract".

9) Continuation of service under this 2025 Amendment to the 1990 Hydropower Contract shall be subject to approval of this 2025 Amendment to the 1990 Hydropower Contract by the Governor of the State of New York pursuant to Public Authorities Law § 1009. If the Governor disapproves this 2025 Amendment to the 1990 Hydropower Contract, service will cease on the last day of the month following the month during which the Governor disapproved this 2025 Amendment to the 1990 Hydropower Contract. If the Governor takes no action within the time frame provided for in Public Authorities Law § 1009, service will cease on the last day of the month following the month during which such timeframe expired.

10) Except as expressly provided in this 2025 Amendment to the 1990 Hydropower Contract, the 1990 Hydropower Contract shall remain unchanged and in full force and effect.

11) This 2025 Amendment to the 1990 Hydropower Contract shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts

and to be performed in such state, without regard to conflict of laws principles.

12) This 2025 Amendment to the 1990 Hydropower Contract may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signature thereto and hereto were upon the same instrument.

13) Upon approval of the Governor of the State of New York pursuant to Public Authorities Law § 1009, and upon execution by the Chairman of the Authority, this 2025 Amendment to the 1990 Hydropower Contract shall come into full force and effect, provided however that pending such gubernatorial approval and execution, this 2025 Amendment to the 1990 Hydropower Contract shall take effect upon the expiration of the 2024 Amendment and continue on a month to month basis.

14) This 2025 Amendment to the 1990 Hydropower Contract may be amended or modified by a written agreement signed by the Authority and the Company.

AGREED:

Rochester Gas and Electric Corporation

By: _____
Name: Andrea VanLuling
Title: Controller
Date: _____

By: _____
Name: Patricia Nilsen
Title: Chief Executive Officer
Date: _____

Power Authority of the State of New York

ACCEPTED:

By: _____
Name: John R. Koelmel
Title: Chairman
Date: _____

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: July 29, 2025

To: NEW YORK POWER AUTHORITY BOARD OF TRUSTEES

From: PRESIDENT & CHIEF EXECUTIVE OFFICER

Subject: Municipal and Rural Electric Cooperative Industrial Economic Development Program - Allocation to the Village of Angelica

SUMMARY

The New York Power Authority Board of Trustees ("Trustees") is requested to approve an allocation of 100 kilowatts ("kW") of hydropower under the Municipal and Rural Electric Cooperative Industrial Economic Development Program ("IEDP") to the Village of Angelica.

BACKGROUND

The 1991 amendment to the power sales agreement between the New York Power Authority ("Authority") and each of the Municipal and Rural Electric Cooperative Systems set aside a block of 54 megawatts ("MW") from the 752 MW of firm Niagara Project hydropower allocated to the systems for economic development in the systems' service territories. The total allocation was increased to 768.4 MW as a result of additional firm power (both firm and firm peaking) resulting from the Niagara Project life extension and modernization upgrade that was completed in the early 2000s.

Power from this block can be allocated to individual systems to meet the increased electric load resulting from eligible new or expanding businesses in their service area. Recommended allocations under the IEDP are made using guidelines that were approved by the Trustees on September 23, 2008.

As of June 2025, approximately 21.6 MW have been allocated. The most recent allocation was awarded by the Trustees to the Village of Marathon in March 2025. The Village of Angelica has submitted an application for power under the program for consideration by the Trustees.

DISCUSSION

The application by the Village of Angelica to the Authority is on behalf of WB Hyland, LLC ("WB Hyland"), a Municipal and Rural Electric Cooperative Industrial Economic Development Program customer in the Village of Angelica. WB Hyland specializes in landfill management and operations. This includes activities such as waste disposal, waste management solutions, environmental monitoring, and compliance with regulatory standards.

WB Hyland is proposing an expansion of their landfill footprint by an additional 107 acres and a height increase of 120 feet at its peak. This extension is expected to prolong the landfill's operational life by approximately 25 to 30 years and raise the annual disposal capacity from 465,000 to 1,000,000 tons. The project would also include the construction of process containers, which would include an on-site assembly of process containers and vessels, rather than traditional buildings. The electrical equipment is managed locally by an e-building. Additional key components of the project would also include blowers, chillers, dry coolers, flares, thermal oxidizers, space heaters, and compressors. The project site would create 2.5 new jobs over the next three years.

NYPA staff recommends that the Trustees approve an allocation of 100 kW of Municipal and Rural Electric Cooperative Industrial Economic Development Program power to the Village of Angelica on behalf of WB Hyland. The IEDP Guidelines prescribe that a minimum of 25 jobs per MW of allocated hydropower be attained. Due to the commitment of 2.5 jobs, staff recommends 100 kW, which is the minimum amount of power permissible under the guidelines.

FISCAL INFORMATION

The actions recommended herein will not have a negative impact on the Authority's finances.

RECOMMENDATION

The Senior Vice President, Customer Solutions recommends that the Trustees approve the allocation of 100 kW under the Municipal and Rural Electric Cooperative Industrial Economic Development Program to the Village of Angelica in accordance with this memorandum.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Justin E. Driscoll
President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, That the Trustees hereby approve the allocation of 100 kW of hydropower to the Village of Angelica under the Municipal and Rural Electric Cooperative Industrial Economic Development Program as set forth in the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Senior Vice President, Customer Solutions or such official's designee, hereby is authorized on behalf of the Authority to provide for final terms and conditions that will be applicable to the foregoing allocation and/or project, including without limitation progress milestones and provisions for the expiration of the allocation in the event that such milestones are not met; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: **July 29, 2025**

To: **Board of Trustees**

From: **PRESIDENT and CHIEF EXECUTIVE OFFICER**

Subject: **Recommendation for the Award of Fund Benefits from the Western New York Economic Development Fund by the Western New York Power Proceeds Allocation Board**

SUMMARY

The Trustees are requested to: (1) accept the recommendation of the Western New York Power Proceeds Allocation Board (the "Allocation Board" or "WNYPPAB") and make an award of Fund Benefits from the Western New York Economic Development Fund to Natrion Inc. ("Natrion") and the Niagara Aquarium Foundation ("Aquarium"), as more fully described in Exhibits "A", "A-1" and "A-2", in the amounts indicated on the Exhibits and for the reasons discussed below and in the Exhibits; and (2) authorize the other actions described herein with respect to such applicants and the recommended award.

BACKGROUND

1. Western New York Power Proceeds Allocation Act

The Western New York Power Proceeds Allocation Act (the "Act") was signed into law on March 30, 2012. The Act provides for the creation, by the Authority, of the Western New York Economic Development Fund. The Fund consists of the aggregate excess revenues received by the Authority from the sale of Expansion Power ("EP") and Replacement Power ("RP") produced at the Niagara Power Project that were sold in the wholesale energy market in excess of what revenues would have been received had such energy been sold on a firm basis to an eligible EP or RP customer under the applicable tariff or contract.

Under the Act, an "eligible applicant" is a private business, including a not-for-profit corporation. "Eligible projects" is defined to mean "economic development projects by eligible applicants that are physically located within the State of New York within a thirty-mile radius of the Niagara power project located in Lewiston, New York that will support the growth of business in the state and thereby lead to the creation or maintenance of jobs and tax revenues for the state and local governments." Eligible projects include, for example, capital investments in buildings, equipment, and associated infrastructure owned by an eligible applicant for fund benefits; transportation projects under state or federally approved plans; the acquisition of land needed for infrastructure; research and development where the results of such research and development will directly benefit New York State; support for tourism and marketing and advertising efforts for western New York State tourism and business; and energy-related projects.

Eligible projects do not include public interest advertising or advocacy; lobbying; the support or opposition of any candidate for public office; the support or opposition to any public

issue; legal fees related to litigation of any kind; expenses related to administrative proceedings before state or local agencies; or retail businesses, as defined by the board, including without limitation, sports venues, gaming and gambling or entertainment-related establishments, residential properties, or places of overnight accommodation.

Fund Benefits have been provided to successful eligible applicants in the form of grants. Generally, Fund Benefits are disbursed as reimbursement for expenses incurred by an Eligible Applicant for an Eligible Project. Occasionally, Fund Benefits may be disbursed in advance for proposed eligible expenditures to be incurred by the Eligible Applicant for an Eligible Project, when NYPA determines this approach is appropriate. In such cases, NYPA must have authorized the approach in advance, and proposed expenses must be appropriately documented.

At least 15 percent of Fund Benefits must be dedicated to eligible projects which are "energy-related projects, programs and services," which is defined to include: energy efficiency projects and services; clean energy technology projects and services; and high performance and sustainable building programs and services, and the construction, installation and/or operation of facilities or equipment done in connection with any such projects, programs or services.

Allocations of Fund Benefits may only be made based on the amount of money that has been deposited into the Fund. No award may encumber future funds that have been received but not deposited in the Fund.

2. Western New York Power Proceeds Allocation Board

Under the Act, the Allocation Board is charged with soliciting applications for Fund Benefits, reviewing applications, making eligibility determinations, and evaluating the merits of applications for Fund Benefits. The Allocation Board uses the criteria applicable to EP, RP and PP, and for revitalization of industry as provided in Public Authorities Law §1005. Additionally, the Allocation Board is authorized to consider the extent to which an award of Fund Benefits is consistent with the strategies and priorities of the Regional Economic Development Council having responsibility for the region in which an eligible project is proposed. A copy of these criteria (collectively, "Program Criteria"), adapted from the Allocation Board's "Procedures for the Review of Applications for Fund Benefits," is attached as Exhibit "B."

The Allocation Board met on March 4, 2013 and, in accordance with the Act, adopted by-laws, operating procedures, guidelines related to the application, and a form of application. At that time, the Allocation Board defined "retail business" to mean a business that is primarily engaged in making retail sales of goods or services to customers who personally visit such facilities to obtain goods or services.

Under the Act, a recommendation for Fund Benefits by the Allocation Board is a prerequisite to an award of Fund Benefits by the Authority, and the Act authorizes the Authority to award Fund Benefits to an applicant upon a recommendation of the Allocation Board. Upon a showing of good cause, the Authority has discretion as to whether to adopt the Allocation Board's recommendation, or to award benefits in a different amount or on different terms and conditions than proposed by the Allocation Board. In addition, the Authority is authorized to include within the contract covering an award ("Award Contract") such other terms and conditions the Authority deems appropriate.

3. Application Process

To provide for the efficient review of applications and disbursement of Fund Benefits, the Allocation Board established a schedule of dates through the end of 2025 during which the Allocation Board would consider applications. At this time, applications are being accepted on a rolling basis. In addition, the application process has been promoted through a media release and with assistance from state and local entities, including the Western New York and Finger Lakes Regional Economic Development Councils, the Empire State Development Corporation, and other local and regional economic development organizations within the State. A webpage was created that is hosted on WWW.NYPA.GOV/WNYPPAB with application instructions, a link to the approved application form and other program details including a contact phone number and email address staffed by NYPA.

DISCUSSION

At its June 10, 2025 meeting, the Allocation Board considered applications from Natrion and the Aquarium.

As detailed in Exhibit "A-1", Natrion seeks funds to help establish its state-of-the-art global manufacturing headquarters in Cheektowaga, New York, where it will produce Lithium Solid Ionic Composite (LISIC), an advanced solid-state electrolyte material designed to revolutionize the performance and safety of rechargeable lithium batteries used in electronics and electric vehicles. NYPA would be able to access the component of the Fund reserved by statute for energy-related projects, programs, and services to support the production of Natrion's product. Natrion anticipates spending approximately $9.1 million to complete its project..

As detailed in Exhibit "A-2", the Aquarium seeks funds to replace its outdated boiler system with a high-efficiency HVAC system featuring heat pumps, modern air handling units, on-demand hot water, and advanced control systems. This upgrade is expected to significantly reduce energy consumption, improve climate control, and free up valuable interior space. The project supports sustainability, lowers operating costs, enhances the visitor experience, ensures long-term operational stability, and supports the regional tourism economy. The proposed project will incorporate energy efficient equipment, enabling NYPA to access the component of the Fund reserved by statute for energy-related projects, programs, and services. The Aquarium would spend approximately $972,000 to complete the project.

The Allocation Board staff analyzed the applications and made an award recommendation to the Allocation Board based on eligibility requirements and Program Criteria. A copy of the recommendation memorandum provided to the Allocation Board for the projects is attached as Exhibits "A-1" and "A-2". The applications have also been made available to the Trustees for review.

The Allocation Board has recommended that the applicants receive Fund Benefit awards in the amounts indicated on Exhibits "A", "A-1" and "A-2". Given the nascent stage of the proposed projects, it was not practical to recommend the terms and conditions that would be applicable to the award and memorialized in an Award Contract between the Authority and a successful applicant.

If an applicant receives a Fund Benefit award, it is anticipated that Authority staff will negotiate final terms and conditions with the successful applicant after receiving more detailed

information concerning the project and proposed schedules. An Award Contract may include scheduled payments tied to commitment milestones, such as employment creation and retention. In addition, staff anticipates that an Award Contract will include provisions for periodic audits of the successful applicant to determine contract and program compliance and, where appropriate, terms providing for the partial or complete recapture of Fund Benefits disbursements if the applicant fails to maintain agreed-upon commitments, such as, among other things, employment levels or project milestone due dates.

RECOMMENDATION

The Senior Vice President, Clean Energy Solutions, recommends that:

(1) the Trustees accept the recommendation of the Allocation Board and make an award of Fund Benefits to Natrion and Aquarium in the amount identified in Exhibits "A", "A-1" and "A-2", conditioned upon an agreement to be negotiated with the applicant on the final terms and conditions applicable to the award. Such terms will be included in an Award Contract approved by the President and Chief Executive Officer, or their designee, and approved by the Executive Vice President and General Counsel, or such official's designee, as to form;

(2) the Executive Vice President and Chief Operating Officer, or such official's designee, be authorized to negotiate with the applicant concerning such final terms and conditions that will be applicable to the award; and

(3) the Senior Vice President for Customer Solutions, or such official's designee, be authorized to execute on behalf of the Authority an Award Contract for the award listed on Exhibits "A", "A-1" and "A-2" subject to the foregoing conditions.

For the reasons stated, I recommend the approval of the above-requested actions by adoption of the resolution below.

Justin E. Driscoll
President and Chief Executive Officer

R E S O L U T I O N

WHEREAS, The Western New York Power Proceeds Allocation Board (“Allocation Board”) has recommended that the Authority make an award of Fund Benefits from the Western New York Economic Development Fund to Natrion Inc. (“Natrion”) and the Niagara Aquarium Foundation (“Aquarium”), for the reasons set forth in the accompanying Memorandum of the President and Chief Executive Officer ("Memorandum") and the other information referred to therein;

NOW THEREFORE BE IT RESOLVED, that the Authority hereby accepts the recommendation of the Allocation Board and authorizes award of Fund Benefits to Natrion and the Aquarium in the amounts recommended in the attached Memorandum, for the reasons set forth in the attached Memorandum and other information referred to therein, conditioned upon agreements between the Authority and Natrion and the Aquarium, on the final terms and conditions that would be applicable to the awards, as set forth in a written award contract (“Award Contract”) between the Authority and the applicants, approved by the President and Chief Executive Officer, or his designee, and approved by the Executive Vice President and General Counsel, or such official’s designee, as to form; and be it further

RESOLVED, That the Executive Vice President and Chief Operating Officer, or such official’s designee, is authorized to negotiate with the applicant concerning such final terms and conditions applicable to the award; and be it further

RESOLVED, That the Senior Vice President for Customer Solutions, or such official’s designee, is authorized to execute, on behalf of the Authority, an Award Contract for the award, subject to the forgoing conditions; and be it further

RESOLVED, That the Chairman, the President and Chief Executive Officer, the Executive Vice President and Chief Operating Officer, the Senior Vice President for Customer Solutions, and any other officer of the Authority, are each hereby authorized to take any and all actions, and to execute and deliver any and all agreements, certificates and other documents, on behalf of the Authority, as may be necessary or appropriate to effectuate the foregoing resolutions.

Exhibit "A"
7/29/2025

Applications for Proceeds and Fund Recommendations

Line	Business	City	County	Economic Development Region	Project Description	Project Type	Recommended Award Amount	Total Project Cost	Jobs Retained	Jobs Created
1	Natrion Inc.	Buffalo	Erie	Western NY	Business Attraction	Business Investment	$1,323,197	$9,123,197	0	19
2	Niagara Aquarium Foundation	Niagara Falls	Niagara	Western NY	Business Expansion	Tourism	$194,360	$971,802	0	0
						Total:	**$1,517,557**	**$10,094,999**	**-**	**19**

Total Jobs Created & Retained: 19

NEW YORK STATE | Western NY Power Proceeds Allocation Board

KATHY HOCHUL
Governor

ANTHONY J. COLUCCI III
Chairman

Western New York Economic Development Fund Recommendation Memo
Exhibit A-1

Applicant Name:	Natrion Inc.	REDC Region:	Western New York
Project Type:	Business Investment	County:	Erie
Industry:	Manufacturing	Locality:	Cheektowaga
Amount Requested:	$1,323,197	Start Date:	August 2025
		Finish Date:	August 2028

RECOMMENDED OFFER	
Recommended Total Award:	$1,323,197
Total Project Cost:	$9,123,197
% of Project Cost Recommended:	15%

PROJECT BUDGET (Proposed by Applicant)

Use of funds	Amount	Source of Funds	Amount
M&E	$5,548,197	WNY EDF	$1,323,197
Supplies & Materials	$3,000,000	**Committed:**	
Contingency	$300,000	Ciri Ventures	$3,000,000
FF&E	$150,000	**Potential:**	
Hard Costs (ancillary equipment)	$75,000	Series A Round Investors	$4,800,000
Training	$50,000		
Total:	**$9,123,197**	**Total:**	**$9,123,197**

REGIONAL IMPACT MEASUREMENTS	
Job Commitments:	Applicant will create 19 full time equivalents (“FTE”) at the project location over three years.
Average Salary of Jobs:	$63,750
Indirect Jobs Created:	N/A
Other Impact:	N/A

PROJECT DESCRIPTION (Adapted from Application)

Founded in 2018, Natrion Inc. (Natrion”) is a start-up specializing in solid-state battery technology, with operational bases in Champaign, IL, and Binghamton, NY. The company produces Lithium Solid Ionic Composite (“LISIC”), an advanced solid-state electrolyte material designed to revolutionize the performance and safety of rechargeable lithium batteries used in electronics and electric vehicles. Natrion seeks to establish its global manufacturing headquarters in a 7,660 square foot facility in Cheektowaga, NY. This state-of-the-art site will be outfitted with the latest film fabrication technology

to produce the LISIC component. This investment will not only enhance the performance and safety of lithium batteries but also significantly increase production capacity.

The new facility will boost Natrion's production capacity by nearly 40-fold, enabling the annual production of enough LISIC material to power approximately 11,000 electric vehicles. This strategic expansion will position the WNY region as a hub for cutting-edge battery component manufacturing, serving the technology, automotive, and renewable energy sectors.

The project will create 19 new jobs, with the potential for further expansion driven by the rapid growth of the battery industry and the increasing demand for American-made components.

OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED

NY Ventures ESD	Approved Application under review		

PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED

TYPE	AMOUNT	STATUS

BASIS FOR RECOMMENDATION

The project will support substantial economic and technological development for the WNY region including:

- Creation of 19 high-quality jobs, boosting local employment opportunities and contributing to regional economic growth.
- Establishment of a global manufacturing headquarters, representing a capital investment that will enhance local infrastructure, attract other high-tech industries, and potentially lead to further job expansion due to the growing battery industry and increasing demand for American-made components.
- Positioning the WNY region as a technology leader through Natrion's development of advanced solid-state battery technology, which is crucial for future electronics and electric vehicles.
- Increasing Natrion's production capacity nearly 40-fold, supporting growth of the renewable energy sector by producing materials for approximately 11,000 electric vehicles annually.
- Leveraging Natrion’s presence to attract similar businesses to the region.
- Alignment with WNY REDC priorities, which focus on growing the region’s tradable sectors and traditional economic development goals of facilitating job creation and business investment in WNY.

ANTICIPATED DISBURSEMENT TERMS
Fund Benefits would be used to reimburse the Applicant for a portion of the costs associated with machinery and equipment for the new facility. It is anticipated that: (1) funds will be disbursed in arrears upon completion of the project; and (2) reimbursement will be made upon presentation to NYPA of invoices and such other documentation acceptable to NYPA, verifying that the Applicant has incurred eligible expenses of approximately $9.1 million; and (3) other terms and conditions, including annual commitments, will be specified in the Fund Benefits Agreement.

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KATHY HOCHUL
Governor

ANTHONY J. COLUCCI III
Chairman

Western New York Economic Development Fund Recommendation Memo
Exhibit A-2

Applicant Name:	Niagara Aquarium Foundation ("Aquarium of Niagara", "Applicant", "Organization").	REDC Region:	Western New York
Project Type:	Tourism	County:	Niagara
Industry:	Not for Profit	Locality:	Niagara Falls
Amount Requested:	$194,360	Start Date:	September 2025
		Finish Date:	October 2025

RECOMMENDED OFFER

Recommended Total Award:	$194,360
Total Project Cost:	$971,802
% of Project Cost Recommended:	20%

PROJECT BUDGET (Proposed by Applicant)

Use of funds	Amount	Source of Funds	Amount
Demolition	$8,400	WNY EDF	$194,360
Env. Remediation	$25,570	Senior Debt	$596,246
Hard Costs	$213,048	Cash equity	$181,196
M&E	$724,784		
Total:	**$971,802**	**Total:**	**$971,802**

REGIONAL IMPACT MEASUREMENTS

Job Commitments:	The Funding Track under which the application was submitted does not require job-related commitments.
Average Salary of Jobs:	N/A
Indirect Jobs Created:	N/A
Other Impact:	N/A

PROJECT DESCRIPTION (Adapted from Application)

The Aquarium of Niagara is a not-for-profit organization that aims to broaden the public's awareness of aquatic ecosystems through exhibits, educational experiences, and conservation programs. The organization is upgrading its original 1965 boiler system to a high-efficiency HVAC system featuring Samsung VRF heat pumps, modern air handling units, on-demand hot water, and advanced controls. This project includes removing outdated infrastructure, reducing energy consumption, improving climate control for animals and guests, and freeing up interior space.

This investment will ensure long-term operational stability for one of Niagara Falls' top cultural attractions, benefiting the regional tourism economy. Improved comfort and energy efficiency will boost attendance, support new programming, and extend seasonal operations, helping to drive spending at local businesses and supporting downtown revitalization in Niagara Falls.

OTHER ECONOMIC DEVELOPMENT BENEFITS RECEIVED

N/A			

PREVIOUS STATE ASSISTANCE OFFERED OR PROVIDED

TYPE	AMOUNT	STATUS

BASIS FOR RECOMMENDATION

Several aspects of this project support a recommendation in favor of a Fund Benefits award:

- Enhanced year-round comfort is expected to prolong tourist stays. The Aquarium's improvements will elevate the region's profile as a premier tourist destination, increase spending at nearby businesses, and strengthen the regional tourism economy.
- The project promotes sustainability by significantly reducing energy consumption and lowering operating costs.
- As a nonprofit institution, the Aquarium relies on diverse funding sources to sustain operations and invest in long-term improvements. Support from WNYPPAB is crucial to bridge the funding gap for this essential building infrastructure upgrade.
- While not directly creating new full-time positions, the project helps retain existing jobs by ensuring uninterrupted operations and reducing facility risks. Temporary jobs will be created during construction, and higher visitation may lead to future staffing growth in guest services, education, and animal care
- The project aligns with the 2023 WNY REDC strategies and priorities, emphasizing tourism due to its significant share of the regional economy and lingering effects of the Covid-19 pandemic.

ANTICIPATED DISBURSEMENT TERMS

Fund Benefits would be used to reimburse the Applicant for a portion of the costs associated with machinery and equipment for the new facility. It is anticipated that: (1) funds will be disbursed in arrears upon completion of the project; and (2) reimbursement will be made upon presentation to NYPA of invoices and such other documentation acceptable to NYPA verifying that the Applicant has incurred eligible expenses of approximately $971,802; and (3) other terms and conditions including annual commitments, will be specified in the Fund Benefits Agreement.

NEW YORK STATE | Western NY Power Proceeds Allocation Board

KATHY HOCHUL
Governor

ANTHONY J. COLUCCI III
Chairman

Exhibit B

Criteria adapted from the Western NY Power Proceeds Allocation Board's "Procedures for the Review of Applications for Fund Benefits"

1. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the Regional Economic Development Council ("REDC") having responsibility for the region in which an Eligible Project is located.[1] The Western New York Regional Economic Development Council is responsible for Eligible Projects in Erie and Niagara Counties, and its Strategies & Priorities are to:

   - Promote "Smart Growth" by investing in areas where infrastructure already exists and achieves certain goals, such as: preserving historic buildings; reviving downtowns; reviving main streets; investing in existing neighborhoods; and investing in former industrial sites. A project consistent with Smart Growth will also focus on: enhancing walkability; enhancing multiple modes of transportation; connecting disadvantaged communities to employment clusters; spurring mixed-use private investment in existing communities and preserving/enhancing natural lands and or resources.
   - Promote workforce development by increasing diversity in the labor force, developing and cultivating workers with advancement potential, underemployed, unemployed and who belong to a special population; align education and skills training to the job market for current and future industry needs.
   - Foster entrepreneurship and new business formation and growth. Designing a plan that brings new technologies and/or products to the marketplace, increases new start ups in strategic industries and facilitates the commercialization of products that can lead to job growth in the region.
   - Increase the industry profile of agriculture in WNY by: creating better access to markets; creating new products, creating new more efficient processes, and creating strong regional brands; creating programs that promote careers in agriculture.
   - Utilize Western New York's proximity to Canadian and U.S. population centers to advance economic development in WNY. Bi-national projects will utilize cross-border

[1] As provided for in EDL § 189-c(4), criteria 2-15 are adapted from the criteria for eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law § 1005. The specific criteria identified in PAL § 1005(13)(b)(4)-(5) are relevant to power allocations under these programs but do not have any logical application to allocations of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits. Additionally, in accordance with PAL § 1005(13), criteria 13-15 listed herein will only be used in the case of Eligible Projects which are proposed by Applicants as, and determined by the Board to be, "revitalization" projects.

planning to create transportation and logistical infrastructure, improve operational relationships, and promote the attractiveness of WNY as a hub for global trade.

- Position the WNY region as a global energy hub through new sources of clean energy, energy efficiency and energy efficient transportation.
- Support growth of advanced manufacturing by making research more available to manufacturers to help them innovate.
- Spur growth in the health and life sciences industry through improved commercialization, recruiting high profile research talent and reducing the cost burden of healthcare while improving health outcomes.
- Expand the scope of higher education by increasing accessibility to Higher Education for communities that currently have limited access to educational opportunities; better aligning education with the industry needs and creating support structures for start-ups that will assist start-ups with commercialization, business planning, workforce preparation, and facilities, etc.
- Grow visitors and visitor spending by raising the profile of WNY as a national and international destination; connect multiple tourist destinations in WNY; improve the profile of the WNY Gateway to the United States.

For more information on the Western New York Regional Economic Development Council please go to https://regionalcouncils.ny.gov/western-new-york.

2. The extent to which an award of Fund Benefits would be consistent with the strategies and priorities of the Regional Economic Development Council ("REDC") having responsibility for the region in which an Eligible Project is located.[2] The Finger Lakes Regional Economic Development Council which is responsible for Eligible Projects in Orleans and Genesee Counties Strategies & Priorities can be found at: https://regionalcouncils.ny.gov/finger-lakes.
3. The number of jobs that would be created as a result of an award of Fund Benefits.
4. The applicant's long term commitment to the region as evidenced the current and/or planned capital investment in applicant's facilities in the region.
5. The ratio of the number of jobs to be created to the amount of Fund Benefits requested.
6. The types of jobs that would be created, as measured by wage and benefit levels, security and stability of employment.
7. The amount of capital investment, including the type and cost of buildings, equipment and facilities, proposed to be constructed, enlarged or installed.

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[2] As provided for in EDL § 189-c(4), criteria 2-15 are adapted from the criteria for eligibility for Expansion Power, Replacement Power and Preservation Power under Public Authorities Law § 1005. The specific criteria identified in PAL § 1005(13)(b)(4)-(5) are relevant to power allocations under these programs but do not have any logical application to allocations of Fund Benefits. Therefore, the Board does not expect to use these criteria to evaluate applications for Fund Benefits. Additionally, in accordance with PAL § 1005(13), criteria 13-15 listed herein will only be used in the case of Eligible Projects that are proposed by Applicants as, and determined by the Board to be, "revitalization" projects.

8. The extent to which an award of Fund Benefits would affect the overall productivity or competitiveness of the applicant and its existing employment.
9. The extent to which an award of Fund Benefits may result in a competitive disadvantage for other business in the State.
10. The growth potential of the applicant's facilities and the contribution of economic strength to the area in which the applicant's facilities are or would be located.
11. The extent of the applicant's willingness to satisfy affirmative action goals.
12. The extent to which an award of Fund Benefits is consistent with state, regional and local economic development strategies and priorities and supported by local units of government in the area in which the business is located.
13. The impact of an award of Fund Benefits on the operation of any other facilities of the applicant, and on other businesses within the region.
14. That the business is likely to close, partially close or relocate resulting in the loss of a substantial number of jobs.
15. That the applicant is an important employer in the community and efforts to revitalize the business are in long-term interests of both employers and the community.
16. That a reasonable prospect exists that the proposed award of Fund Benefits will enable the applicant to remain competitive and become profitable and preserve jobs for a substantial period of time.

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: July 29, 2025

To: NEW YORK POWER AUTHORITY TRUSTEES AND NEW YORK STATE CANAL CORPORATION BOARD OF DIRECTORS

From: PRESIDENT & CHIEF EXECUTIVE OFFICER

Subject: Procurement (Services) and Other Contracts – Business Units and Facilities – Awards, Extensions and/or Additional Funding

SUMMARY

The New York Power Authority Trustees ("Trustees") and New York State Canal Corporation Board of Directors ("Board of Directors") are requested to approve, as applicable, the award and funding of the multiyear procurement (services) contracts in support of projects and programs for the Authority's and Canal Corporation's Business Units/Departments and Facilities. Detailed explanations of the recommended awards and extensions, including the nature of such services, the basis for the new awards if other than to the lowest-priced, lowest total cost of ownership or "best valued" bidders and the intended duration of such contracts, or the reasons for the extension and the projected expiration dates, are set forth in the discussion below.

BACKGROUND

Section 2879 of the Public Authorities Law and the Authority's and Canal Corporation's Guidelines for Procurement Contracts require Authority Trustee and Canal Board approval for procurement contracts involving services to be rendered for a period more than one year.

The Authority's and Canal Corporation's Expenditure Authorization Procedures ("EAPs") require Trustee and Board approval for the award of non-personal services, construction, equipment purchase or non-procurement contracts more than $10 million, as well as personal services contracts more than $10 million if low bidder or best value, or $1 million if sole-source, single-source, or other non-competitive awards.

The Authority's and Canal Corporation's EAPs also require Trustee and Board approval when the cumulative change order value of a personal services contract exceeds $500,000, or when the cumulative change order value of a non-personal services, construction, equipment purchase, or non-procurement contract exceeds the greater of $6 million or 25% of the originally approved contract amount.

DISCUSSION

Awards

The Trustees and Board are requested to approve the award and funding of the multiyear procurement (services) contracts, as applicable, where the EAPs require approval based upon contract value or the terms of the contracts will be more than one year. Except as noted, these contracts contain provisions allowing the Authority and Canal Corporation to terminate the services for the Authority's and Canal Corporation's convenience, without liability other than paying for acceptable services rendered to the effective date of termination. Approval is also requested for funding all contracts. Except as noted, these contract awards do not obligate the Authority and Canal Corporation to a specific level of personnel resources or expenditures.

The issuance of multiyear contracts is recommended from both cost and efficiency standpoints. In many cases, reduced prices are negotiated for these long-term contracts. Since these services are typically required on a continuous basis, it is more efficient to award long-term contracts than to rebid these services annually.

Extensions

Although the firms identified have provided effective services, the issues or projects requiring these services have not been resolved or completed and the need exists for continuing these contracts. Trustee and Board approval is required, as applicable, because the terms of these contracts will exceed one year including the extension, the term of extension of these contracts will exceed one year and/or because the cumulative change-order limits will exceed the levels authorized by the EAPs in forthcoming change orders. The subject contracts contain provisions allowing the Authority and Canal Corporation to terminate the services at the Authority's and Canal Corporation convenience, without liability other than paying for acceptable services rendered to the effective date of termination. These contract extensions do not obligate the Authority and Canal Corporation to a specific level of personnel resources or expenditures.

Extension of the contracts identified is requested for one or more of the following reasons: (1) additional time is required to complete the current contractual work scope or additional services related to the original work scope; (2) to accommodate an Authority and Canal Corporation or external regulatory agency schedule change that has delayed, reprioritized or otherwise suspended required services; (3) the original consultant is uniquely qualified to perform services and/or continue its presence and rebidding would not be practical or (4) the contractor provides proprietary technology or specialized equipment, at reasonable negotiated rates, that the Authority and Canal Corporation needs to continue until a permanent system is put in place.

The following is a detailed summary of each recommended contract award and extension.

Authority Contract Awards in Support of Business Units/Departments and Facilities:

Operations – Power Generation & Waterways

The proposed non-personal services contract with the below vendor would provide Security Fence and Gate Maintenance and Service. This award is a five-year term for an amount of $200,000. The Robert Moses Niagara Power Project is generating power 24 hours a day, 7 days a week and requires a secure perimeter to protect our equipment and infrastructure safe from bad actors as well as keep the general public safe from hazards that come with a hydropower plant. This contract will allow for on-call services to perform maintenance and repairs necessary to maintain existing perimeters. This contract will be structured on a time and material basis with an urgency befitted to each individual circumstance as decided by the Authority's Security and General Maintenance teams. The Request for Proposals N25-20216488TSK was advertised in the New York State procurement newsletter and on the Authority's website. Twenty-two entities were invited to, or expressed interest in, the Ariba event. Two proposals were received via Ariba and were evaluated. Staff recommends the award of a contract to the below vendor which is technically and commercially qualified.

Vendor Name	Status
Fox Fence, Inc	

Authority and Canal Contract Awards in Support of Business Units/Departments and Facilities:

Information Technology & Cyber Security - Strategy, Planning & Governance

The proposed non-personal services contract with the below vendors would provide Document Scanning and Digitization Services. This award is a five-year term for an aggregate amount of $5,000,000. The

Authority has a need for third-party vendors to support the Scanning & Digitization of physical documents at the Authority and Canal locations. These vendors will assist the Authority by providing scanning, digitization, and shredding of documents. The Request for Proposals Q25-7638BB was advertised in the New York State procurement newsletter and on the Authority's website. Thirty-six entities were invited to, or expressed interest in, the Ariba event. Fifteen proposals were received via Ariba and were evaluated. Staff recommends the award of five contracts to the below vendors which are technically and commercially qualified.

Vendor Name	Status
archSCAN, LLC	
Bits & Bytes Technology Solutions, Inc.	MBE
eBizDocs Inc.	
PruTech Solutions, Inc.	M/WBE
Ripcord Inc.	

Operations - Central Support Services

The proposed personal services contract with the below vendor would provide Ergonomic Assessment Services. This award is a five-year term for an amount of $3,000,000. The Authority requires ergonomic evaluation services and employee training to further the reduction of musculoskeletal diseases related injuries and the stressors that lead to them. Several job tasks have been identified for ergonomic evaluation. These include workstation assessments; manual handling activities like lifting, bending, and shoveling; driving-related tasks; repetitive motion and vibration from hand tools; cleaning and moving duties; climbing ladders or scaffolding; prolonged standing on hard surfaces; working with heavy or awkward loads; low-light conditions; and exposure to fatigue, stress, and extreme temperatures. The Request for Proposals Q25-7630TK was advertised in the New York State procurement newsletter and on the Authority's website. Sixteen entities were invited to, or expressed interest in, the Ariba event. Four proposals were received via Ariba and were evaluated. Staff recommends the award of a contract to the below vendor which is technically and commercially qualified.

Vendor Name	Status
Proactivity Fitness Physical Therapy Associates, P.C. dba Pro-Activity	

Canal Contract Awards in Support of Business Units/Departments and Facilities:

Operations – Power Generation & Waterways

The proposed construction contract with the below vendor would provide Canal Lock E-6, Guard Gate 1 and 2 - Waterford. This award is a two-year term for an amount of $4,338,910. Lock E-6, Guard Gates No. 1 (GG1) and Guard Gate No. 2 (GG2) are part of the Waterford Flight of Locks. The Waterford flight is located on the Mohawk River and Erie Canal in Waterford, New York with the upper end near the Crescent Dam and its associated Hydroelectric Development (Crescent Hydro) and the lower end at the junction of the Mohawk and Hudson Rivers. The Waterford Flight provides a navigable waterway around the impoundment formed by Crescent Dam and Cohoes Falls. Lock E-6, GG1 and GG2 are within the Federal Energy Regulatory Commission (FERC) boundary for Crescent Hydro. Lock E-6, GG1 and GG2 share a common PLC-based electrical control system which has been plagued by electrical and operational reliability issues for many years. Numerous efforts to diagnose the problems and replace system components have been performed through an On-Demand contract, however, all efforts to resolve the issues have been unsuccessful and problems continue to persist at the structures. GG1 is currently non-operable except for manual raising and lowering the gate with a pipe threader which takes approximately 1.5 hours to complete in each direction. The control system needs

to be replaced at both guard gates with a relay-based system and Variable Frequency Drive (VFD) controller. New motor brakes, electrical contractors, sluice gates with operators and portable generator receptacle with manual transfer switches need to be installed at both guard gate locations. A PLC bypass system needs to be installed at Lock E-6 allowing for manual control of miter gates and fill valves to address the issues. The Request for Proposals K25-10367209LK was advertised in the New York State procurement newsletter and on the Authority's website. Seventy-three entities were invited to, or expressed interest in, the Ariba event. Two proposals were received via Ariba and were evaluated. Staff recommends the award of a contract to the below vendor which is technically and commercially qualified.

Vendor Name	Status
James H. Maloy, Inc.	

Authority Extensions and/or Additional Funding Requests:

Executive Office – Executive Office

At the meeting on July 30, 2019,Trustees approved personal services contracts with eleven vendors in the amount of $30,000,000 to provide management consulting services for the Executive Office. The scope of services encompasses a wide range of Executive Office functions, which includes but not limited to strategic planning process; digital strategy refresh, project/program development and management support, strategic risk management support, performance reporting and 2 metrics, sustainability and regulatory impact and organizational improvements. The aggregate amount was increased by $7,000,000 via an approved Change Order and on May 25,2023, the Trustees approved a $8 million additional funding request, bringing the total aggregate amount to $45,000,000. A grace period extension was issued to extend the contracts for an additional 12 months while a new RFP was drafted. However, the RFP is taking longer than anticipated and a few suppliers are needed to support current and future service requirements including Integrated Report assessment and Vision2030 refresh strategy while the RFP effort continues. Staff requests Trustee approval for the extension of the six contracts below for July 14, 2026. No additional funding is being requested at this time.

Vendor Name	PO/VC	Status
Accenture LLP	4600003731	
Customer Care Network, Inc.	4600003730	
Deloitte Consulting LLP	4600003736	
Ernst & Young U.S. LLP	4600003714	
Guidehouse Inc.	4600003956	
McKinsey & Company Inc.	4600003745	

Operations – Central Support Services

The Authority issued non-personal services contracts with the vendors listed below in the aggregate amount of $24,039,176 for miscellaneous Building Operations Services for the White Plains Office. The building is a seventeen-story, 420,000 square feet, Class A structure and the Authority manages all operations in the building through the Facility Management Department. On-site contracted engineers and electricians maintain day-to-day operation of the building and the operations that fall outside of their scope in size or services are contracted to vendors specializing in particular trades. In preparation for the Authority’s White Plains Office relocation to a new commercial building, the Facilities and Strategic Sourcing Management Departments have identified vendors whose services are critical to the on-going operation and maintenance of the current WPO Building. All vendors listed have in-depth knowledge and understanding of the building’s

operations and are technically qualified to continue providing services. Staff requests Trustee Approval for the extensions of the contracts below for through June 1, 2028, and additional aggregate funding in the amount of $1,060,000.

Vendor Name (* Denotes a M/WBE or SDVOB)	**Service**	**PO/VC**	**Original Contract Value**	**Original Trustee Date or Contract Effective Date**	**Current Expiration**	**Additional Funding (if applicable)**
American Food & Vending Corp	Cafeteria Services	4600004504	$1,192,260.00	9/26/2023	9/30/2026	$750,000
Bayside Refrigeration dba Airlogix	HVAC Maint. (On Call)	4600003771	$1,500,000.00	9/25/2019	9/30/2025	
Carey & Walsh Inc.	HVAC Maint.	4600003770	$1,500,000.00	9/25/2019	9/30/2025	
Ensign Engineering	Mech, Electrical, Plumbing Eng.	4600003951	$750,000.00	5/19/2020	6/28/2026	
Fellenzer Engineering, LLP *	Mech, Electrical, Plumbing Eng.	4600003952	$750,000.00	5/19/2020	6/28/2026	
Harvard Maintenance, Inc	Door Repair & Maintenance	4500330998	$100,000.00	3/30/2021	5/2/2026	$75,000
Healy Electric	Electrical Services (On Call)	4600003919	$5,000,000.00	3/31/2020	5/31/2025	
J&M Corporate Painter, Inc	Painting Services (On Call)	4500366736	$50,000.00	8/1/2024	7/31/2025	
John Mini Distinctive Landscapes Ltd dba John Mini	Interior Horticulture Services	4500375327	$17,500.00	4/3/2025	4/2/2026	$35,000
Kinsley Group, Inc. dba Kinsley Power Systems	Generator Load Bank Maint	4500322396	$500,000.00	7/28/2020	8/9/2025	
Michael Bellantoni, LLC	Landscaping / Snow Removal	4600004035	$1,000,000.00	12/9/2020	1/31/2026	
Miller Proctor Nickolas	Boiler Maintenance	4500320041	$250,000.00	5/19/2020	5/31/2026	
Paladino Concrete Creations Corp. *	Masonry Services (On Call)	4500365580	$100,000.00	6/1/2024	5/31/2025	
Predator Pest Control Inc.	Pest Control	4600004345	$125,000.00	9/29/2022	9/30/2027	

Rotundo Plumbing Corp.	Plumbing	4600003701	$375,000.00	7/30/2019	8/14/2025	$100,000
Scully Construction LLC	General Contract (On Call)	4600004412	$11,000,000.00	2/7/2023	2/28/2028	
Stark Tech Services, LLC (fka Technical Building Services, Inc.)	Building Automation System Maint.	4500353882	$250,000.00	3/22/2023	4/5/2026	
TRANE U.S. Inc.	HVAC General Maint / Repairs	4500368296	$39,416.00	9/1/2024	8/31/2025	$100,000

*Denotes an M/WBE or SDVOB

Operations – Power Generation & Waterways

On February 29, 2024, the Authority issued a sole-source non-personal services contract with the vendor listed below in the amount of $248,007 for Robert Moses Unit 6 Sensor Deployment. Services were expected to begin and end by February, 2025, however due to substantial unforeseen delays associated with Robert Moses Unit 6, this service has been postponed. Upon contract award, the vendor has performed approximately seventy five percent of the work to date. The failure to extend this contract would result in an additional sole source contract being required to complete the remainder of the services and would not be in the best interest of the Authority. Staff requests Trustee approval for the extension of the contract below through December 31, 2026. No additional funding is being requested at this time.

Vendor Name	PO/VC	Status
Bently Nevada, LLC	4500363801	

Operations – Project Delivery

At the meeting on October 19, 2021, Trustees approved a construction contract with the vendor listed below in the amount of $1,890,000 for BG Admin Building HVAC Blenheim Gilboa Project. At this time, the vendor has completed the installation for EEM 3, EEM 4, and EEM 5, while EEM 1 and EEM 2 work has yet to be completed. The work for EEM 1 and EEM 2 is planned to be completed by the Authority's staff at the BG Site and will include the install of an electrical boiler, electrical heat exchanger, and VFD motors. The site is scheduled to install the electrical boiler in June 2025, however, the heat exchanger delivery is delayed with an anticipated arrival date in mid-June 2025. The site advised they do not have the staffing available to complete this installation until the Fall of 2025 or possibly the Spring of 2026, dependent upon staffing availability and outages. Upon completion of the heat exchanger installation, the vendor will then need to perform the commissioning activities and complete an Arc Flash Study for the newly installed equipment. As a result, the vendor's scope of work will not be completed by their current contract expiration date and additional time is needed. Staff requests Trustee approval for the extension of the contract below through October 18, 2026. No additional funding is being requested at this time.

Vendor Name	PO/VC	Status
John W Danforth Company	4500334862	

Operations – Project Delivery

At the meeting on January 29, 2020, Trustees approved a construction contract with the vendor listed below in the amount of $3,908,700 for St. Lawrence FDR Power Project Headgates MCC Upgrades. Due to due to delays with back-in-service date for Unit 21, a grace period extension was requested and granted extending the contract through December 31, 2025. The first phase of the Headgate MCC Upgrade project involves replacing MCC 63, which supplies power to the headgate hoists for units 21 and 22. Construction on MCC 63 began in the first quarter of 2025, but the replacement work has been delayed due to a postponed back-in-service date for unit 21, which is undergoing a rotor modification work. For the MCC 63 replacement to be finalized, the commissioning and testing of the headgate hoists for both unit 21 and unit 22 must be conducted. However, this cannot be done until both units are back in service. As a result, the delay in completing the rotor modification for unit 21 is directly affecting the overall timeline for the MCC 63 replacement. Staff requests Trustee approval for the extension of the contract below for December 31, 2026. No additional funding is being requested at this time.

Vendor Name	PO/VC	Status
S & L Electric, Inc	4600003895	

Authority and Canals Extensions and/or Additional Funding Requests:
None

Canals Extensions and/or Additional Funding Requests:
None

FISCAL INFORMATION

Funds required to support contract services for various Business Units/Departments and Facilities have been included in the 2025 Approved Operating or Capital Budget. Funds for subsequent years, where applicable, will be included in the budget submittals for those years. Payment will be made from the Operating or Capital Fund, as applicable.

Funds required to support contract services for capital projects have been included as part of the approved capital expenditures for those projects and will be disbursed from the Capital Fund in accordance with the project's Capital Expenditure Authorization Request, as applicable.

RECOMMENDATION

The Senior Vice President – Project Delivery; the Senior Vice President – Central Support Services; the Senior Vice President – Chief Information and Technology Officer; the Senior Vice President – Human Resources; the Senior Vice President – Strategic Supply Management; the Vice President – Engineering and Chief Engineer; the Vice President – Environmental, Health and Safety; the Vice President – Technology Business Management; the Regional Manager and Senior Vice President for Albany; the Regional Manager and Senior Vice President for Niagara; the Assistant General Counsel – Contracts, Licensing & Environmental; Assistant General Counsel – Relicensing & Implementation; requests that the Trustees and Board of Directors approve the award of multiyear procurement (services) and other contracts to the companies and the extension and/or funding of the procurement (services) contracts for the purposes and in the amounts discussed within the item and/or listed in the respective exhibits.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Justin E. Driscoll
President and Chief Executive Officer

R E S O L U T I O N

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation, the award and funding of the multiyear procurement services contracts referenced hereto, are hereby approved for the period of time indicated, in the amounts and for the purposes listed therein, as set forth in the memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation, the contracts referenced hereto, are hereby approved and extended for the period of time indicated, in the amounts and for the purposes listed therein, as set forth in the memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority and Canal Corporation are, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

NEW YORK STATE | NY Power Authority | Canal Corporation

MINUTES OF THE
JOINT POWER AUTHORITY OF THE STATE OF NEW YORK AND NEW YORK STATE CANAL CORPORATION
NEW YORK RENEWABLE ENERGY DEVELOPMENT HOLDINGS CORPORATION MEETING

May 20, 2025

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Adjournment **18**

Minutes of the Joint Meeting of The Power Authority of the State of New York and New York State Canal Corporation and the New York Renewable Energy Development Holdings Corporation were held on May 20, 2025, at approximately 10:00 a.m.

Members present were:
John Koelmel - Chair
Michael Cusick
Cecily Morris
Lewis M. Warren Jr.
Laurie Wheelock
Bethaida González
Dennis Trainor

Also, in attendance were:

Justin E. Driscoll	President and Chief Executive Officer
Adam Barsky	Executive Vice President and Chief Financial Officer
Daniella Piper	Executive Vice President and Chief Innovation Officer
Joseph Kessler	Executive Vice President and Chief Operating Officer
Lori Alesio	Executive Vice President and General Counsel - Legal Affairs
Alexis Harley	Senior Vice President and Chief Risk and Resiliency Officer
Charles Imohiosen	Senior Vice President - Communications and External Affairs
Karina Saslow	Senior Vice President - Human Resources
Robert Piascik	Senior Vice President and Chief Information and Technology Officer
Salman Ali	Senior Vice President - Internal Audit
Karen Delince	Vice President and Corporate Secretary
Chad Gholizadeh	Deputy General Counsel
John Canale	Senior Vice President Strategic Supply Management
Maribel Cruz Brown	Senior Vice President - Internal Affairs
Christopher Vitale	Director - Projects
Timothy Poe	Vice President - Project and Construction Management
Patricia Lombardi	Senior Vice President Project Delivery
Lindsay Kryzak	Vice President Corporate Communications
Lawrence Mallory	Senior Director - Security and Crisis Management
Kaela Mainsah	Vice President Environmental Justice
Sandra Bleckman	Workforce Development Project Director
Nicholas Gonzalez	Senior Advisor - Renewable Power
Felisa Hochheiser	Deputy Corporate Secretary
Sheila Quatrocci	Senior Associate Corporate Secretary
Michele Stockwell	Senior Assistant Corporate Secretary
Fiona Khan	Senior Assistant Corporate Secretary

Members of the Public Attendees:

Alex Patterson	Coordinator, Public Power New York

Chair Koelmel presided over the meeting. Vice President and Corporate Secretary Delince kept the Minutes.

Introduction

Chair Koelmel welcomed the Trustees/Directors and NYPA and Canal staff members who were present at the meeting. He said that the meeting had been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to the Authority's Bylaws, Article III, Section 3.

1. Adoption of the May 20, 2025 Proposed Meeting Agenda

On motion made by member Wheelock and seconded by member Warren, Jr. the agenda for the meeting was adopted, as amended.

Conflicts of Interest

Chair Koelmel and members Trainor, Morris, Wheelock, and Cusick declared no conflicts of interest based on the list of entities previously provided for their review.

Member Warren abstained from vote from item #5bi – Procurement (Services) and Other Contracts as it related to J.P. Morgan Chase.

2. Motion to Conduct an Executive Session

On motion by member Gonzalez and seconded by member Cusick, the members held an executive session to discuss the financial and credit history of a particular corporation, pursuant to §105(f) of the Public Officers Law.

3. Motion to Resume Meeting in Open Session

On motion by member Warren, Jr, and seconded by member Trainor the meeting resumed in Open Session.

4. DISCUSSION AGENDA:

a. Strategic Initiatives

i. President and Chief Executive Officer's Report

Justin Driscoll, President and Chief Executive Officer, presented the report and highlighted the commencement of the VISION2030 team road shows around the state to various plants to engage and ensure the organization is on board with the new strategy.

He noted that between now and 2030 additional changes may occur requiring the Authority to navigate and refine the VISION2030 document.

- **Renewables Portfolio Key Priorities and Milestones**

- **New York State Research and Development Authority (NYSERDA)** – NYPA is focused on participation in the NYSERDA Tier 1 solicitation proposals. The organization is looking to partner with developers to bid for NYSERDA's solicitation, future solicitations or ones that follow in partnership with private developers to further advance those projects and bring them to fruition.

- **Storage Solicitation –** NYPA is exploring ways to partner on a 130-megawatt project to prepare for solicitation and selection by NYSERDA.

- **Customer Offtake –** NYPA has relationships with big governmental customers such as the Port Authority, MTA and New York City and other big energy users and are potential off takers for the output of our renewables project. The Authority hopes to advance a customer-Elofftake arrangement with one of those customers for the renewal projects. Earlier this year, The Governor announced the Public Buildings Initiative where state buildings will agree to offtake up to 500-megawatts of power from NYPA renewable projects. This will be another area of focus for the remainder of the year.

- **In-Community/REACH** – This program takes revenues from renewable projects and passes them onto ratepayers and disadvantaged communities through local utilities. The Albany Solar Landfill is the first REACH project. The second aims to be 100-percent interest in a 5-megawatt project.

- **Fatal Flaw Due Diligence –** NYPA will review additional projects for inclusion in the Update to the Strategic Plan. Three gigawatts of additional projects have been screened and recommended to move forward with an additional 15 development partners pre-qualified under Request for Qualifications.

Driscoll said the Authority will break ground late June, early July on the first 100-percent NYPA-owned project, the Somers project. The Draft Strategic Plan will be presented to the Board; a public hearing will be held to engage in public comment and the first amendment to the plan will be brought back before the Board for final approval, most likely at the December meeting.

- **NYPA Event Highlights:**

- **2025 Supplier Diversity Expo** – The Expo was held in Westchester attracting over 900 attendees and 59 exhibitors. Notable dignitaries attended such as Westchester County Executive Ken Jenkins and Julissa Gutierrez, Head Diversity Officer from the Governor's office. In 2024, NYPA and Canals spent $121 million on Minority-and Women-owned Business Enterprises (MWBE) and over $14 million on Service-Disabled Veteran-Owned Businesses (SDVOB), hailing the organization as a leader in diversity efforts.

- **New York International Auto Show** – The show highlighted NYPA's Electric Vehicle work with an interactive display that identifies chargers near their homes and future charging sites. NYPA has continued to update the number of chargers located around the state. The organization has achieved its goal of 400 Electric Vehicle (EV) charging stations with over 200 in service and contracts in place for the remaining 200.

- **Advanced Grid Innovation Lab for Energy (AGILe)** – Currently, the organization is in phase two of the AGILe Lab rollout. The new office located in the Nanoscience building at SUNY Polytech has been built out. NYPA began modeling the bulk electric system and is in search of partners to analyze how the big grid operates. An agreement is in place with NYPA, NYSERDA and several utility partners to utilize the lab for their work. In addition, the organization also uses the lab for internal purposes, such as testing for customers and cyber work. AGILe plays a key role in NYPA work with attention from NYSERDA and the utilities.

- **Decommissioning and Stabilization of the Former Alcoa Powerhouse** – NYPA has launched stabilization work on the old Alcoa Power Dam powerhouse that fell into a state of disrepair and is expected to be substantially complete in 2028. A webpage has been created enabling the community to follow its progress and what it will look like in the future.

- **American Public Power Association** – NYPA received two awards from American Public Power Association (APPA) for safety and reliability demonstrating the Authority's continued national leadership among power utilities.

- **Small Natural Gas Power Plant Transition Plan** – The plan was part of the original 2023 budget legislation due in early May and was submitted. The legislation required NYPA to make two key findings in our efforts:

- To ensure the plants aren't needed for reliability -- which is determined by Con Edison-- the New York Independent System Operator (NYISO) and the Power Authority are retiring one of our facilities in order to diminish emissions in the community. NYPA plans on performing an in-depth analysis to demonstrate the effect of each plant's retirement whether emissions would increase significantly or diminish in the community in order to file for the plant's deactivation.

- NYPA is actively pursuing term sheets for battery storage at several sites. If these sites proceed to deactivation, the organization aims to secure a vendor and finalize a battery storage technology or project that can be placed at those site locations.

- **New York State Canals** – Work continues for the canals Bicentennial celebration in September. The opening of the canal was suspended due to heavy rainfall upstate causing dangerous conditions in the eastern part of the Eerie Canal with repair work underway for the next several weeks in order to open the entire length of the canal. The western part of the canal is open for business.

Driscoll noted that the Authority has received $200 million out of the $1 billion allocated in the Governor's Executive Budget, approved by the State Legislature for NYPA renewables clean energy projects.

b. Utility Operations

i. **Chief Operating Officer's Report**

Joseph Kessler, Executive Vice President and Chief Operating Officer, presented the report.

- **Key Initiatives**

- **DART (Days Away, Restricted or Transferred) Rate Reporting** – if job duties change due to an incident it will fall into this category.

- **NYPA Benchmarks Against the Bureau of Labor Standards** – NYPA's high expectations enables us to target below those standards.

- **Utility Results** – The results are strong but still below target at .78 on the standard with work continuing.

Kessler noted that this time of year, the Canals struggle in this area. The DART and other reportable statistics for safety have a denominator of working hours that are tracked into our internal reports. Incidents happen in the beginning of the year and there are not enough hours in the denominator to recover. The data isn't just reported; rather, the team analyzes it to figure out what is happening,

NYPA has hired a new Vice President of Environmental Health and Safety, Steve Rutledge, as a result of Safety Culture Survey, enabling the three key initiatives to be instituted this year to support a safer, more resilient and sustainable future for the organization and for the customers that NYPA serves.

- **Safety as a Foundation of Resilience** – The investment in Maximo Application Suite as the organization's digital Environmental Health and Safety (EHS) tool focuses on both compliance and building resilience into NYPA operations. When we prevent incidents and ensure our workforce is safe, we reduce disruptions, maintain productivity and adapt more effectively to unforeseen events.

- **Sustainability and our People** – Sustaining our people with campaigns like "Why I Work Safely" reinforces a culture where every employee is personally engaged in safety, which in turns supports retention, morale, and performance demonstrating that sustainability is applicable to both environment and our people.

- **A Proactive Safety Culture Leads to Success** – By focusing on Safety Culture Training, the organization is embedding a mindset that prioritizes proactive risk management. This cultural shift enhances not only safety on the job but also at home as well as improving NYPA/Canal's long-term ability to adapt and thrive in ever-changing conditions.

- **VISION2030 Renewed: Leaning in on Managing Infrastructure Risk**

Kessler welcomed NYPA's Regional Manager and Senior Vice President of Transmission, Tony Silva, whose 22 years of experience in the energy industry will be instrumental in supporting the Authority's transmission initiatives.

The organization is proactively managing infrastructure risk to ensure the safety of staff, the reliability and the longevity of NYPA's assets. The approach focuses on Asset Strategy, Dam Safety Program, Investments and Emergency Preparedness. NYPA is actively preparing for key industry evaluations.

- **APPA RP3 (Reliable Public Power Provider) Award** – NYPA was recognized as a Diamond level Reliable Public Power Provider by APPA for three consecutive terms. Diamond level is the highest level of recognition. This recognition is due to NYPA's high proficiency in reliability, safety, workforce development, and system improvement.

- **ISO 55001 Recertification** – The upcoming recertification audit is scheduled for June. This audit is a key part of our ongoing commitment to maintaining compliance with ISO 55001standards and ensuring continuous improvement across our Asset Management system.

- **VISION2030 Renewed: Implementation through Quality Standards**

- Updating the organization's Engineering and Project Management standards to ensure safe, reliable, operations and consistent infrastructure delivery.

- A cross-functional team is improving project management practices by finalizing standards, recordkeeping, updating documentation, constructing a centralized resource center, developing governance, and enhancing the Authority's project management information system.

- The organization's reliability-centered maintenance approach guides how we operate and conduct maintenance. Focusing on optimized maintenance plans, spare parts strategy, and asset health assessments to minimize risk control costs, and improve performance.

Infrastructure Investments: Managing Risk, Resilience and Sustainability

- **North Country Energy Storage System -** As battery storage technology advances, staying up to date on best practices is critical for safety, efficiency and reliability. NYPA has implemented innovative solutions to address the challenges of battery storage systems, informed by industry learnings, including insights from the 2019 Surprise Arizona battery storage fire, NYPA's fire protection engineering knowledge and compliance requirements.

  - **Preparation** – NYPA's requirements for this battery installation were largely based on learnings from the Surprise Arizona fire and NYPA Code Compliance industry knowledge. The Emergency Response Plan was a requirement of the NYPA Code Compliance for the project.

  - **Detection** – Comprehensive network of monitoring and detection systems, overseen by the STL control room operations that are linked to automated safety mechanism to ensure quick response.

- **Response** – Written response plan has been developed in coordination with local first responders and includes structured actions in the event of an incident.

- **Recovery** – Extended service agreement with LG Chem – post event investigation and de-energization. Qualified Clean Up Contractors on Retainer.

- **Manufacturer Communications** – Reduced to 75 percent at request of LG Chem after Moss Landing fire.

Infrastructure Investments: Managing Risk, Resilience and Sustainability

- **Exploring NYPA-Sited Solar Photovoltaic (PV) Opportunities -** In 2019/2020, a limited NYPA site assessment was completed to identify potential PV opportunities leading to the PV system installation on the SENY plant - Zeltmann (ZEL) admin building roof that is comprised of 420 panels for 175 kilowatt (kW) output that went into service in 2023.

  - **Sustainability** has been working on a comprehensive Clean Energy Masterplan for NYPA to meet and possibly exceed the BuildSmart NY 2025 goals and to look forward to 2030 goals. Working together, Sustainability and Operations significantly expanded the scope of their initial assessments and master planning work to really examine nearly all of NYPA's developed and undeveloped properties for opportunities on which to build solar.

  - **Assessment** - The assessment looked at roughly 73 acres of developed land, mainly parking lots, roofs and Brownfields sites. Roughly 8,700 acres of undeveloped and vacant parcels, of which approximately 200 acres were deemed viable and put through an extensive due diligence process looking at site viability, levelized cost of energy, amongst other factors.

  - **Current Status** – A business case is underway for the short-listed sites, looking at several scenarios to inform best path forward.

- **Brockport Pedestrian Bridge -** The 605-foot bridge is being constructed to connect State University of New York Brockport to the Empire State Trail. The project, led by an all-women leadership team, is scheduled to open on June 13, 2025.

  - **Low-Carbon Emissions** - A concrete-free deck reduces the need for steel, smaller foundations, and smaller transport and erection equipment resulting in lower emissions. Locally fabricated steel sections contribute to reduced carbon emissions during transport.

  - **LED Lighting** - Technology for conservation of energy and dark-sky compliance.

  - **Local, Sustainable Materials** - Black Locust planking for quick reforestation.

  - **Low- Volatile Organic Compound (VOC) Emissions** - Natural finish with epoxy and polyurethane for longevity of decking surface.

- **City of Batavia Ice Rink Chiller and Energy Measures -** NYPA is supporting the City of Batavia in enhancing the McCarthy Ice Rink with a state-of-the-art chiller system, reflecting commitment to sustainable solutions and carbon emission reduction.

  - **Grant Funding** - $1.2 million from Department of Environmental Conservation (DEC) Climate Smart Communities Grant.

  - **Community and Facility Impact** - The ice rink operates from September through March, serving as a central hub for youth, adult, and high school programs, and hosting key community events.

- **CO2 Emissions Reduction** – 7.5 tons

- **Leadership in Low Global Warming Potential (GWP) Refrigerants** – The new chiller will utilize carbon dioxide (CO2), a natural refrigerant, setting a high standard for sustainability.

Construction is underway with completion expected by September, ensuring the rink is operational for the upcoming season.

c. Financial Operations

i. **Chief Financial Officer's Report**

Adam Barsky, Executive Vice President and Chief Financial Officer, presented the finance update to the Board.

- **Year-to-Date Actuals through April 30th**

➢ **April Financial Results** - A strong month with $17 million in net income.

➢ **Drivers of Performance** – Performance is weather-related and based on increased prices; increased utilization of our downstate plants due to the increase in demand based on weather and then higher prices upstate. Some of the funds get recycled back into the monetized funds for economic development of Western New York and Northern New York.

➢ **Year-to-Date Projection** – NYPA is ahead of plan, achieving almost 50 percent of our plan through the first four months.

➢ **2025 Year-End Projection** – Remains unchanged as reported at the last Finance Committee Meeting. Another update will be provided.

➢ **Government Impact** – The Authority is monitoring conduct in Washington and what impacts it will have on the organization and market interest rates.

- **Expense Ratios**

➢ **Operations & Management and Administrative & General Expense Ratios** – NYPA demonstrates strong performance in expense management across Operations and Management, Administrative and General as well as the generation side.

➢ **Generation Expense Ratio** - Both in megawatts produced or sold, the Authority ranks all in the top quartile.

➢ **Transmission Expense Ratio** - In contrast, transmission performance is in the third quartile due to significant investment in transmission infrastructure which has increased Operating and Management cost attributed to NYPA not seeing an equivalent amount of circuit miles because of focus on improving existing lines.

➢ **Performance and Financial Metrics** - Facility Operations and Management availability and forced outage rates are among the best in class. Forced outage rate (unscheduled downtime due to equipment failure) are minimal. Credit is issued to the asset management team for maintaining high reliability standards. Moody's updated NYPA's credit rating to match that of the United States Treasury, placing NYPA in the top 7 percent of 188 public power entities rated.

- **Peer Public Power Generators**

- **Fixed Charge Coverage Ratio** – NYPA exceeds its internal target of 2.0, demonstrating a healthy ability to meet fixed charged obligations, including debt service, lease payments and pension expenses. The data is publicly available by Moody's.

- **Adjusted Debt Ratio** – NYPA maintains a low debt-to-equity and debt-to-assets ratio, keeping up the Federal Energy Regulatory Commission formula rate by sustaining total debt and not exceeding net position ensuring the organization retains flexibility for future investments.

- **2023 Adjusted Days Cash on Hand** – NYPA maintains a significant cash liquidated cushion and aims to exceed our measure of liquidity of 200 days. Some funds are reserved for various commitments but are available to the organization if needed for liquidity.

d. Risk and Resiliency

i. Chief Risk and Resiliency Officer's Report

Alexis Harley, Senior Vice President, Chief Risk and Resiliency Officer, presented the report noting that in March the Board was advised on how risk considerations were being integrated into the Refresh Strategy. The focus of this report was on how that strategy is influencing the evolution of NYPA's risk practices and spotlighting how that approach is being put into action.

- **Risk Appetite** – Has been updated at the highest and broadest levels to ensure that NYPA's guardrails are reflected and aligned with commitments being made towards VISION2030 Renewed.

- **Risk Liaison Program** - The program aims to build risk acumen, awareness, risk decision making and thinking deeper at the business unit level. Rather than relying on Subject Matter Experts to advise on risk positioning, the program will bring risk professional development throughout the organization at a more grassroots level.

- **Enhancing Project Assessment** – Incorporates risk appetite consideration in project evaluations to further aid prioritization. Examining NYPA's portfolio of projects to understand the balance compared to risk appetite. The team has been working closely with the Enterprise Portfolio Management Office organization and starting to assess and consider risk appetite at deeper levels of decision-making throughout the organization.

- **Opportunity Scoring** – A relatively novel enhancement to our risk program. Risk and opportunity are usually treated separately with risk scoring mainly focused on mitigation and about the methodologies. NYPA aims on taking more proactive, well-managed risk taking that aligns with our strategic appetite allowing us to better assess our performance so we can customize it as we deem fit.

- **Federal Transition Working Group** – NYPA's first ever emerging risk workgroup that enables the organization to keep alert with information to help us judge and proactively course correct. A key capability feature of any risk program.

May Risk Spotlight Disruptive Innovation

- **Risk Appetite Category – New Ventures and Strategic Initiatives**

Overall, the approach is integrated into how NYPA executes our business units and support function, collaborating to deliver the organization's priorities by leveraging our pillars and then assessing any uncertainties that we might encounter.

The organization is in pursuit of more opportunities to take on risk. In one of only two categories there is an increase in the risk appetite level; however, that does not mean we are unguarded, unmitigated or unprotected. Risk processes are in place to ensure that mitigating controls are being utilized as we adjust and embrace new technologies.

NYPA is actively engaging with the Governance Committee on acceptable/ethical use, employee training, and the use of the limited data set that is being employed while moving forward with eyes wide open and mitigating potential detriments or disadvantages that we may encounter.

- **Overview**
  - Disruptive Innovation risk mapped to the New Ventures and Strategic Initiatives risk appetite category.
  - Risk management focus is to pursue more opportunities. This is mainly driven via the revised innovation pillar.
  - Operational, project and merging risk processes help identify opportunities and assess and advise on controls/mitigations.

- **Highlights of How We Are Actioning**
  - Innovation working groups (*e.g*. emerging technology, Artificial Intelligence); Advanced Grid Innovation Lab for energy (AGILe)
  - Employee programs (*e.g*. Sustainability and Innovation Series)
  - Horizon monitoring *(e.g*. federal developments, macroeconomic outlook, etc.) and risk-based prioritization.
  - Partnership/collaboration (*e.g*. with Electric Power Research Institute, APPA, etc.)

Harley noted that the Authority is working on evolving some of the methodologies where the risk assessment approach on increased risk can signal opportunity, not threat. This ensures the organization has a gauge of our position and can make decisions that align with our evolving risk appetite.

e. Finance Committee Report:

Chair Koelmel of the Finance Committee advised that the members met on May 6, 2025, adopted minutes, received two (2) staff reports, and approved six (6) items, which are now before the Trustees for adoption:

i. Recommend that the Trustees authorize the release of up to $27 million in support of the New York State Canal Corporation Q3 2025 Operations.

ii. Recommend that the Trustees approve to extend the Authority's $700 Million 2019 Revolving Credit Agreement among the Power Authority of the State of New York, a syndicate of banks and JPMorgan Chase Bank, National Association ("JPMorgan"), as Administrative Agent, and the $250 Million 2020

Revolving Credit and Note Purchase Agreements each between the Authority and JPMorgan at their next meeting.

iii. Recommend that the Trustees approve an increase in capital expenditures for the Smart Path Connect Project of $42.8 million, from the current total authorized amount for the Project of up to $877.6 million bringing the aggregate authorized amount for the Project to $920.4 million.

iv. Recommend that the Trustees approve eleven (11) competitively bid five-year personal services contracts for Information Technology (IT) Contingent Staffing in the aggregate amount of $24.5 million.

v. Recommend that the Trustees approve twenty-five (25) competitively bid five-year personal service contracts for Legal Services in the aggregate amount of $35 million.

vi. Recommend that the Trustees approve the release of up to and not to exceed $5 million in funds in support of the Agricultural Consumer Electricity Discount Program.

On motion made by member Trainor and seconded by member Cusick, the following (6) resolutions were unanimously adopted. One vote was taken for items i-vi.

i. Finance Committee Recommendations for Approval:

RESOLUTIONS

i. Release of Funds in Support of the New York State Canal Corporation for Q3 2025

RESOLVED, that the Finance Committee hereby recommends that the New York Power Authority Board of Trustees authorize the release of up to $27.0 million in the funding to the Canal Corporation to support operations of the Canal Corporation in Q3 2025, as discussed in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that amounts presently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority's General Resolution Authorizing Revenue Obligations, dated February 24, 1998, as amended and supplemented (the "General Bond Resolution"), that the amount of up to $27.0 million in funding as described in the foregoing report is not needed for any of the purposes specified in Section 503.1(a)-(c) of the General Bond Resolution of that the release of such amount is feasible and advisable; and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that as a condition to making the payments specified in the foregoing report, on the day of such payments, either the Executive Vice President & Chief Financial Officer or the Treasurer shall certify that such monies are not then
needed for any of the purposes specified in Section 503.1(a)-(c) of the General Bond Resolution; and be it further

ii. Extension of 2019 Revolving Credit Agreement, 2020 Revolving Credit Agreement and 2020 Note Purchase Agreement for a period not to exceed five years

RESOLVED, that the Finance Committee hereby recommends that the Board of Trustees approve the extension of the 2019 Revolving Credit Agreement, the 2020 Revolving Credit Agreement, and the 2020 Note Purchase Agreement, for terms not to exceed five years from the current respective expiration dates thereof as discussed in the foregoing report of the President and Chief Executive Officer; with such amendments, supplements, changes, insertions and omissions thereto as may be

approved by the Chair or the President and Chief Executive Officer, which amendments, supplements, insertions and omissions shall be deemed to be part of such resolution as approved and adopted hereby; and be it further"

iii. Smart Path Connect Project Capital Expenditure Authorization Request

RESOLVED, that the Finance Committee recommends that the Board of Trustees, pursuant to the Authority's Capital Planning and Budgeting Procedures, approve an increase in capital expenditures for the Smart Path Connect Project of $42.8 million, from the current total authorized amount for the Project of up to $877.6 million bringing the aggregate authorized amount for the Project to $920.4 million, as recommended in, the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, that the Finance Committee recommends that the Authority use Capital Funds, which may include proceeds of debt issuances, to finance the costs of this Project; and be it further RESOLVED, that the Finance Committee recommends that the Trustees declare in accordance with Treasury Regulation Section 1.150-2, the Authority's official intent to finance as follows: The Authority intends to reimburse to the maximum extent permitted by law with the proceeds of tax-exempt obligations to be issued by the Authority, all expenditures made and which may be made in accordance with the Project described in the foregoing report of the President and Chief Executive Officer; and be it further

iv. Information Technology (IT) Contingent Staffing - Contract Award

RESOLVED, that the Finance Committee recommends that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the award of eleven (11) contracts for Information Technology (IT) Contingent Staffing, each for a term of five (5) years, to: Ampcus Inc located in Chantilly, VA; Cogent Infotech Corporation located in Pittsburgh, PA; Eclaro international, Inc. located in New York, NY; GCOM Software, Inc. located in Columbia, MD; Infojini, Inc located in Columbia, MD; InfoPeople Corporation located in New York, NY; LanceSoft, Inc. located in Herndon, VA; Rose International, Inc. located in Chesterfield, MO; Trigyn Technologies, Inc. located in Edison, NJ; US Tech Solutions, Inc. located in Jersey City, NJ; and Veterans Sourcing Group, LLC located in New York, NY in the aggregate amount of $24.5 million; and be it further

v. Legal Services – Contract Award

RESOLVED, that the Finance Committee recommends that the New York Power Authority Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the award of twenty-five (25) contracts for Legal Services, each for a term of five (5) years, to: Baker Botts L.L.P. located in Houston, TX, Barclay Damon LLP located in Syracuse, NY, Bleakley, Platt & Schmidt, LLP located in White Plains, NY, Bond, Schoeneck & King, PLLC located in Syracuse, NY, Carter Ledyard & Milburn LLP located in New York, NY, Couch White, LLP located in Albany, NY, Dellaverson PC located in New York, NY, Dentons US LLP located in Chicago, IL, Fried, Frank, Harris, Shriver & Jacobson LLP located in New York, NY, Gibbons P.C. located in Newark, NJ, Harris Beach Murtha Cullina PLLC located in Albany, NY, Hawkins Delafield & Wood LLP located in New York, NY, Holland & Knight LLP located in Brandon, FL, Husch Blackwell LLP located in St. Louis, MO, Katten Muchin Rosenman, LLP in New York, NY, Jackson Lewis P.C. located in West Harrison, NY, Mintzer Mauch PLLC located in New York, NY, Nixon Peabody LLP located in Rochester, NY, Norton Rose Fulbright US LLP located in Houston, TX, Orrick, Herrington & Sutcliffe LLP located in Wheeling, WV, Sive Paget & Riesel PC located in New York, NY, Stinson LLP located in Kansas City, MO, Stoel Rives LLP located in Portland, OR, Troutman Pepper

Locke LLP located in Atlanta, GA, Van Ness Feldman, LLP located in Baltimore, MD, in the aggregate amount of $35 million; and be it further

vi. Release of Funds in Support of the Agricultural Consumer Electricity Discount Program

"RESOLVED, that the Finance Committee hereby recommends that the New York Power Authority Board of Trustees authorize the release of up to $5 million from the Operating Fund during 2025 to support monthly payments for the Agricultural Consumer Electricity Discount Program as authorized by Chapter 60 of the Laws of 2011 (as amended by Part QQ of Chapter 56 of the Laws of 2023) and as discussed in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that an amount up to $5 million to support the Agricultural Consumer Electricity Discount Program described herein is not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further

RESOLVED, that the Finance Committee recommends that the New York Power Authority Board of Trustees affirm that as a condition to making the payments specified in the foregoing resolutions, on the day of such payment the Executive Vice President and Chief Financial Officer or the Treasurer shall certify that such monies are not then needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further

5. CONSENT AGENDA

On motion made by member Trainor and seconded by member Wheelock, all items on the Consent Agenda and the following resolutions were unanimously adopted. Member Warren Jr., abstained vote on item 5bi.

a. Customer Solutions

i. Expansion Power Allocations and Hydropower Allocation Modifications

RESOLUTION

RESOLVED, That an allocation of 630 kilowatts ("kW") of Expansion Power ("EP") to Food Nerd Inc. ("Food Nerd") for a term of ten years to support the company's proposed expansion at 11342 Main Street, Clarence, New York, as detailed in the foregoing memorandum of the President and Chief Executive Officer ("Memorandum"), be and hereby is approved, subject to rates previously approved by the Board of Trustees; and be it further;

RESOLVED, That an allocation of 1,290 kW of EP to Polaris Cold Storage Corporation ("Polaris") for a term of ten years to support the company's proposed expansion at 6410 Inducon Drive West, Sanborn, New York, as detailed in the foregoing Memorandum, be and hereby is approved, subject to rates previously approved by the Board of Trustees; and be it further;

RESOLVED, That an allocation of 2,060 kW of EP to Saint-Gobain Ceramics & Plastics, Inc. ("Saint-Gobain") for a term of ten years to support the company's proposed expansion at 6600 Walmore Road, Niagara Falls, New York, as detailed in the foregoing Memorandum, be and hereby is approved, subject to rates previously approved by the Board of Trustees; and be it further;

RESOLVED, That an allocation of 2,080 kW of EP to Deckorators, Inc. ("Deckorators") for a term of ten years to support the company's proposed expansion at 300 Commerce Drive, Lackawanna, New York

as detailed in the foregoing Memorandum, be and hereby is approved, subject to rates previously approved by the Board of Trustees; and be it further;

RESOLVED, That the Board of Trustees hereby authorize a public hearing pursuant to Public Authorities Law ("PAL") §1009 on the terms of the proposed form of the direct sale contracts with Food Nerd, Polaris, and Deckorators for the sale of the EP allocations (the "Contracts"); and be it further;
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RESOLVED, THAT the Board of Trustees hereby approve a modification to the current hydropower sale contract between the Authority and International Imaging Materials, Inc. ("IIMAK") to allow the company to utilize a portion of its allocations at an additional site located at 1927 Elmwood Avenue, Buffalo, New York, as detailed in the foregoing Memorandum; and be it further

RESOLVED, THAT the Board of Trustees hereby approve a conversion of a 0.41 MW Replacement Power allocation previously awarded to RubberForm Recycled Products LLC ("RubberForm") to Expansion Power ("EP"), to facilitate enrollment and billing protocols with the company's local utility, as detailed in the foregoing Memorandum; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

ii. Annual Compliance Review – Recharge New York Power Program

RESOLUTION

RESOLVED, That the Board of Trustees hereby accepts the recommendations regarding compliance review for the Recharge New York ("RNY") Power Program for the compliance period of July 1, 2023 through June 30, 2024; and be it further

RESOLVED, That the Board of Trustees hereby approves (1) the reduction of the RNY Power allocations and/or supplemental job commitment adjustments for the 41 customers identified in the Memorandum, pertaining to non-compliance with Supplemental Commitments for jobs, and (2) authorizes no compliance action for the remaining 30 customers identified in the Memorandum, based on the information and recommendations in the Memorandum; and be it further

RESOLVED, That the Board of Trustees hereby approves (1) the reduction of the RNY Power allocations and/or supplemental job commitment adjustments for the five customers identified in the Memorandum, pertaining to non-compliance with Supplemental Commitments for capital investment, and (2) authorizes no compliance action for the remaining 24 customers identified in the Memorandum, based on the information and recommendations in the Memorandum; and be it further

RESOLVED, That the Board of Trustees hereby approves (1) the reduction of the RNY Power allocations and/or supplemental job commitment adjustments for the 11 customers identified in the Memorandum, pertaining to pertaining to non-compliance Supplemental Commitments for power utilization, and (2) authorizes no compliance action for the remaining three customers identified in the Memorandum based on the information and recommendations in the Memorandum; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements,

certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

iii. Annual Compliance Review – High Load Factor Power Program

RESOLUTION

RESOLVED, That the Board of Trustees hereby accept Staff's assessment regarding the annual compliance review for the High Load Factor ("HLF") Power Program for the compliance period of July 1, 2023 through June 30, 2024, and find that each company is deemed compliant for the reasons indicated in the Memorandum; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

iv. ReCharge New York Power Program Tariff Amendment – Notice of Adoption

RESOLUTION

RESOLVED, that the Senior Vice President – Customer Solutions, or their designee, be, and hereby is, authorized to issue written notice to the affected Customers of this adopted action by the New York Power Authority Trustees for the amendment to the Recharge New York Power Program Tariff RNY-1 issued in 2012, as set forth in the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, that the Corporate Secretary of the Authority be, and hereby is, directed to file such notices as may be required with the Secretary of State for publication in the New York State Register and to submit such other notice as may be required by statute or regulation concerning the adopted amendment to the Recharge New York Power Program Tariff RNY-1 issued in 2012; and be it further

RESOLVED, that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

v. Recommendation for Award of Fund Benefits from the Western New York Economic Development Fund by the western NY Power Proceeds Allocation Board – Resolution

RESOLUTION

WHEREAS, The Western New York Power Proceeds Allocation Board ("Allocation Board") has recommended that the Authority make an award of Fund Benefits from the Western New York Economic Development Fund to Industrial Support, Inc. ("ISI"), for the reasons set forth in the accompanying Memorandum of the President and Chief Executive Officer ("Memorandum") and the other information referred to therein;

NOW THEREFORE BE IT RESOLVED, That the Authority hereby accepts the recommendation of the Allocation Board and authorizes award of Fund Benefits to ISI in the amount recommended in the attached Memorandum for reasons set forth in the attached Memorandum and other information referred to therein, conditioned upon an agreement between the Authority and ISI on the final terms and conditions that would be applicable to the awards and set forth in a written award contract ("Award Contract") between the Authority and the applicant, approved by the President and Chief Executive Officer, or his designee, and approved by the Executive Vice President and General Counsel or such official's designee, as to form; and be it further

RESOLVED, That the EVP Chief Operating Officer, or such official's designee, is authorized to negotiate with the applicant concerning such final terms and conditions that will be applicable to the award; and be it further

RESOLVED, That the Senior Vice President for Customer Solutions, or such official's designee, is authorized to execute on behalf of the Authority an Award Contract for this award, subject to the forgoing conditions; and be it further

RESOLVED, That the Chairman, the President and Chief Executive Officer, the Chief Operating Officer, the Senior Vice President for Customer Solutions, and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

vi. Proposed Renewed Relicensing Contracts for the Sale of Hydroelectric Power and Energy and Notice of Public Hearing Resolution

RESOLUTION

RESOLVED, That each proposed agreement with the Host Communities, Tuscarora Nation and Niagara University for the sale of Niagara Power Project hydroelectric power and energy attached to the foregoing Memorandum ("Host Communities Contracts", "Tuscarora Nation Contract" and "Niagara University Contract"), is hereby approved; and be it further

RESOLVED, That the Corporate Secretary be, and hereby is, authorized to transmit copies of the proposed Host Communities Contracts, Tuscarora Nation Contract and Niagara University Contract to the Governor, the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee pursuant to Public Authorities Law ("PAL") § 1009; and be it further

RESOLVED, That the Corporate Secretary be and hereby is authorized to convene a public hearing on the proposed Host Communities Contracts, Tuscarora Nation Contract, and Niagara University Contract in accordance with the procedures set forth in PAL § 1009; and be it further

RESOLVED, That the Senior Vice President – Customer Solutions or her designee be, and hereby is, authorized, subject to approval of the final form thereof by the Executive Vice President and General Counsel, to negotiate and execute any and all documents necessary or desirable to implement the final Host Communities Contracts, Tuscarora Nation Contract and

Niagara University Contract, as set forth in the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions, and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

vii. Industrial Incentive Award and Economic Development Plan for Buffalo Niagara Partnership and Cresent Duck Farm, Inc. – Resolution

RESOLUTION

RESOLVED, That the Authority hereby approves the recommendation of the Economic Development Power Allocation Board ("EDPAB") to amend the Economic Development Plan ("Plan") and hereby amends the Plan to use net revenues from the sale of Expansion Power ("EP") to provide an Industrial Incentive Award to the Buffalo Niagara Partnership to fund the creation of the Western New York Community Sponsored Air Service Incentive Fund in the amount up to $15,150,000 through June 30, 2031, to be held by NYPA and disbursed to BNP in arrears as requested per the terms and conditions set forth in a contract between BNP and NYPA once executed, according to the terms set forth in the foregoing report of the President and Chief Executive Officer and consistent with EDPAB's approval of the Plan and requested awards; and be it further

RESOLVED, That the Authority hereby approves the recommendation of the EDPAB to amend the Plan and hereby amends the Plan to use net revenues from the sale of EP to provide a one-time Industrial Incentive Award of $700,000 to Crescent to be disbursed to Crescent in arrears per the terms and conditions set forth in a contract between Crescent and NYPA once executed according to the terms set forth in the foregoing report of the President and Chief Executive Officer and consistent with EDPAB's approval of the Plan and requested awards; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the President and Chief Executive Officer.

b. Procurement (Services) Contracts

i. Procurement (Services) and Other Contracts – Business Units and Facilities – Awards, Extensions, and/or Additional Funding – Resolution

RESOLUTION

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation, the award and funding of the multiyear procurement services contracts referenced hereto, are hereby approved for the period of time indicated, in the amounts and for the purposes listed therein, as set forth in the memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation, the contracts referenced hereto, are hereby approved and extended for the period

of time indicated, in the amounts and for the purposes listed therein, as set forth in the memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority and Canal Corporation are, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

ii. Automotive Tools and Equipment for "Charging Forward: New York State ZEV Train-the-Trainer Program." Transfer of Ownership to Rockland BOCES and The State University of New York at Oswego – Resolution

RESOLUTION

RESOLVED, That pursuant to Title 5-A of Article 9 of the Public Authorities Law and the Authority's Guidelines for the Disposal of Personal Property, the Board of Trustees hereby approve the transfer of ownership of Automotive Tools and Equipment for less than fair market value to Rockland BOCES and The State University of New York at Oswego as set forth in the foregoing memorandum of the President and Chief Executive Officer; and be it further.

RESOLVED, That the Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

c. Governance Matters

i. Minutes of the Joint Meeting of the New York Power Authority's Board of Trustees and Canal Corporation's Board of Directors held on March 25, 2025

On motion made and seconded, the Minutes of the Joint Meeting of the New York Power Authority's Trustees and Canal Corporation's Board of Directors held on March 25, 2025, were unanimously adopted.

d. New York Renewable Energy Development Holdings Corporation

i. Appointment of Chair of New York Renewable Energy Development Holdings Corporation ("NYRED")

RESOLUTION

RESOLVED, That John R. Koelmel, hereby is, elected to serve as Chair of the New York Renewable Energy Development Holdings Corporation, effective immediately and be it further

RESOLVED, that the Chair, the President, and all other officers of NYRED be authorized on behalf of NYRED to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution.

ii. Committee Appointments – Resolution

RESOLUTION

RESOLVED, That the members of the NYRED Governance Committee shall be: Bethaida Gonzalez (Chair), John R. Koelmel, Dennis G. Trainor, Cecily L. Morris, Lewis M. Warren Jr.; and be it further

RESOLVED, That the members of the NYRED Audit Committee shall be: Dennis G. Trainor (Chair), John R. Koelmel, Michael J. Cusick, Lewis M. Warren Jr., Laurie Wheelock; and be it further

RESOLVED, That the members of the NYRED Finance Committee shall be: John R. Koelmel (Chair) Dennis G. Trainor, Bethaida Gonzalez, Michael J. Cusick, Cecily L. Morris, Lewis M. Warren, Jr., Laurie Wheelock; and be it further

RESOLVED, that the Chair, the President, and all other officers of NYRED be authorized on behalf of NYRED to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution.

iii. Approval of January 28, 2025 Minutes of the New York Renewable Energy Development Holdings Corporation ("NYRED")

On motion made and seconded, the Minutes of the Joint Meeting of the New York Renewable Energy Development Holdings Corporation ("NYRED") held on January 28, 2025, were unanimously adopted.

6. NEXT MEETING

The next meeting of the Joint Meeting of the New York Power Authority Board of Trustees and New York State Canal Corporation Board of Directors will be held on Tuesday, July 29, 2025.

Adjournment

On motion made by member Gonzalez and seconded by member Trainor, the meeting was adjourned at approximately 10:27 a.m.

Karen Delince

Karen Delince
Vice President and Corporate Secretary

NEW YORK STATE | NY Power Authority | Canal Corporation

Memorandum

Date: July 29, 2025

To: BOARD OF DIRECTORS OF NYPA CAPTIVE INSURANCE COMPANY

From: PRESIDENT & CHIEF EXECUTIVE OFFICER OF THE NEW YORK POWER AUTHORITY AND PRESIDENT AND CHIEF EXECUTIVE OFFICER OF NYPA CAPTIVE INSURANCE COMPANY

Subject: Adoption of Corporate Resolution at Annual Meeting of the Board of Directors of the NYPA Captive Insurance Company

SUMMARY

On July 29, 2025, the Board of Directors of the NYPA Captive Insurance Company ("Captive") will hold an annual meeting and vote on a corporate resolution which ratifies the actions of the officers since the inception of the corporation; approves the annual appointment of the officers of the corporation, including President and Chief Executive Officer, Chief Financial Officer, Secretary, and Treasurer; approves the appointment of corporate service providers; adopts the current insurance program; approves the annual business continuity and disaster response plans; accepts the actuarial report and opinion for the year ending December 31, 2024; and accepts the audited financial report for the year ending December 31, 2024; in accordance with corporate governance and regulatory requirements.

BACKGROUND

Captive is utilized as a risk financing vehicle for the Authority to maximize the flexibility and effectiveness of the Authority's insurance programs by reducing costs, stabilizing budgets and cash flow, establishing long-term relationships with risk financing partners, establishing appropriate risk retention levels using state-of-the-art analytical techniques, establishing appropriate limits, providing insurance for uninsurable or hard to insure risks, and providing a vehicle for effective tactical and strategic use of insurance and risk financing and transfer.

It is expected that the Authority's casualty and liability insurance programs will ultimately be written and administered through Captive, including but not limited to Excess Liability, Protective Liability, Property Coverage, Property Sabotage & Terrorism, Cyber Liability; Automobile Liability, Premises Liability, and Owner Controlled Insurance Programs for General Liability and Builder's Risk coverage for projects financed through the Authority's capital programs.

Chapter 193 of the Laws of 2022, enacted May 9, 2022, authorized the Authority and any statutory subsidiary thereof to form a pure captive insurance company. At a meeting held on September 29, 2022, the Authority's Board of Trustees approved the formation of a subsidiary corporation called the NYPA Captive Insurance Company, and the Authority filed its application for a license with the New York State Department of Financial Services ("DFS"). On May 2, 2023, DFS issued the Certificate of Incorporation for Captive, and Captive's Board of Directors held an organization meeting on May 25, 2023. On May 25, 2023, the Authority also contributed $250,000 as its initial capital contribution to Captive. An additional $99,750,000 of capital contribution was made on August 8, 2023, bringing the total contribution to $100 million. DFS issued the requisite license to operate to Captive on July 25, 2023.

To date, Captive has underwrote a TRIA Certified NBCR (Nuclear, Biological, Chemical, Radiological & Cyberterrorism) Terrorism policy with an aggregate limit of $500 million, which policy has a federal backstop; a property deductible reimbursement line in the amount of $10 million per occurrence; a cyber deductible reimbursement line in the amount of $5 million per occurrence; a general liability deductible reimbursement line

in the amount of $4.8 million per occurrence with a $200,000 deductible; and a New York Canals property deductible reimbursement line in the amount of $19.8 million per occurrence with a $200,000 deductible.

DISCUSSION

The Captive Board of Directors must hold an annual meeting in accordance with its by-laws and applicable New York State law.

At such time the Board of directors will vote on a corporate resolution which ratifies the actions of the officers since the inception of the corporation; approves the annual appointment of the officers of the corporation, including President and Chief Executive Officer, Chief Financial Officer, Secretary, and Treasurer; approves the appointment of corporate service providers; adopts the current insurance program (Exhibit 1); approves the annual business continuity and disaster response plans (Exhibits 2 and 3); accepts the actuarial report and opinion for the year ending December 31, 2024 (Exhibits 4 and 5); and accepts the audited financial report for the year ending December 31, 2024 (Exhibit 6).

FISCAL INFORMATION

The formation of Captive will ultimately have a positive fiscal impact on the Authority as it is expected, amongst other things, to reduce the Authority's insurance program premiums and costs, provide a vehicle for effective tactical and strategic use of insurance and risk financing and transfer, and provide access to the federal government's terrorism risk program created under the Terrorism Risk Insurance Act which provides a federal backstop for 80% of covered losses.

RECOMMENDATION

The Executive Vice President & Chief Financial Officer of the Authority and Chief Financial Officer of Captive has requested that the Captive Board of Directors hold an annual meeting and approve a corporate resolution at such time.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Justin E. Driscoll
President and Chief Executive Officer
of the Authority
President and Chief Executive Officer of NYPA Captive
Insurance Company

R E S O L U T I O N

OF THE

MEMBERS OF THE BOARD OF DIRECTORS OF NYPA CAPTIVE INSURANCE COMPANY (the "Corporation")

ACTIONS OF OFFICERS

RESOLVED, that all actions of the officers since the inception of the Corporation are hereby approved and ratified.

APPOINTMENT OF OFFICERS

RESOLVED, that the following persons be appointed to the offices set out below, to hold such office for the ensuing year and until their successors are elected and qualified, except as otherwise provided in the Bylaws:

Name	Office
Justin Driscoll	Chief Executive Officer and President
Adam Barsky	Chief Financial Officer
Andrew Negro	Secretary
Jose Yandun	Treasurer

APPOINTMENT OF SERVICE PROVIDERS

RESOLVED, that the Corporation ratifies and approves the appointment of Marsh Management Services Inc. as captive manager; KPMG LLP as financial auditor for the year ending December 31, 2025; Marsh Management Services Inc. as actuary for the year ending December 31, 2025; and Dentons Bingham Greenebaum LLP and Orrick, Herrington & Sutcliffe, LLP, as attorneys, for continuing work on such terms as the officers believe is in the best interest of the Corporation.

CURRENT INSURANCE PROGRAM

RESOLVED, that the current insurance program of the Corporation is hereby approved and adopted.

BUSINESS CONTINUITY AND DISASTER RESPONSE PLANS

RESOLVED, that the Board of Directors does hereby approve the annual business continuity and disaster response plans.

ACTUARIAL REPORT AND OPINION

RESOLVED, that the Board of Directors does hereby accept the actuarial report and opinion for the year ending December 31, 2024.

FINANCIAL STATEMENTS

RESOLVED, that the Board of Directors does hereby accept the audited financial report for the year ending December 31, 2024.

Exhibit 1

NYPA Captive Insurance Company
Business Plan
As of July 29, 2025

TYPE OF COVERAGE	POLICY PERIOD	POLICY LIMITS	PREMIUM
Property Deductible Reimbursement	November 1, 2024 to November 1, 2025	$10 million each occurrence/no aggregate	$ 1,365,127
New York Canals Property Deductible Reimbursement	January 1, 2025 to July 7, 2025	$19.8 million per occurrence & in aggregate/$200k deductible	$ 2,561,644
New York Canals Property Deductible Reimbursement	July 7, 2025 to July 7, 2026	$19.8 million per occurrence & in aggregate/$200k deductible	$ 5,000,000
Nuclear, Biological, Chemical, & Radiological Terrorism	November 1, 2024 to November 1, 2025	$500 million per occurrence & in aggregate	$ 3,937,500
Cybersecurity Deductible Reimbursement	January 1, 2025 to January 1, 2026	$5 million each occurrence & in aggregate	$ 227,500
General Liability Deductible Reimbursement	June 15, 2024 to March 1, 2025	$4.8 million per occurrence & in aggregate/$200k deductible	$ 1,700,000
General Liability Deductible Reimbursement	March 1, 2025 to March 1, 2026	$4.8 million per occurrence & in aggregate/$200k deductible	$ 2,400,000

Exhibit 2

BUSINESS CONTINUITY PLAN

NYPA Captive Insurance Company ("Company")

EFFECTIVE: JULY 29, 2025

Introduction

This Business Continuity Plan ("Plan") is designed to help ensure that key business processes of the Company will continue during a disaster or at least have high potential to be restored within a reasonable period of time following a disaster and that restoration proceeds in logical order based on priority planned for in advance. The Company needs to periodically review for potential threats of disaster and devise plans to ensure timely recovery. These efforts will include, at least annually, conducting a Business Impact Analysis ("BIA") and subsequent modification to this Plan and/or the Company's Disaster Response Plan if indicated by the BIA. The BIA shall be designed with the emphasis on predicting the consequences of disruption of a key business function and process as a result of a disaster, and to gather information needed to develop recovery and/or mitigation strategies.

This Plan is organized as a plan outline followed by two Appendices, the first containing specific role assignments referred to in the Plan (Appendix A), and the second containing the most recent BIA (Appendix B).

The Company is a Captive Insurance Company and as such does not have employees, systems, applications, buildings, equipment, nor does the Company maintain a network. Instead, the Company relies on the affiliates of the Company and on robust third party service provider ("TPSP") vetting, particularly related to the Company's management company, including reasonable efforts to confirm those entities have appropriate Disaster Response and Business Continuity Plans in place related to Company operations. Please refer to the Company's Third Party Service Provider Security Policy for additional detail on the protocols the Company follows related to engaging, monitoring, and contracting with TPSPs. As a captive insurance company, the Company is licensed to insure only risks related to its parent and affiliates and their operations.

The rest of this document provides key steps to be taken to document Company processes in order to better understand the impact of disruption to specific Company processes in order to maximize the chance of timely recovery of the Company's operations in the event that Company operations are impacted. These processes and procedures are not meant to be all-inclusive, and actual processes may include additional steps as dictated by the findings of other efforts detailed herein.

Roles & Responsibilities

The Business Continuity Coordinator ("BCC") oversees compliance with this Plan and has responsibility for:

1. ensuring a BIA is conducted at least annually;
2. the overall maintenance of this Plan including ensuring this plan is reviewed at least once annually, approved by the Board at least once annually, and updated as required;
3. leading a meeting at least once annually to review the Business Continuity and Disaster Response Plans of the Company;

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4. working with the Company's affiliates, management company, and other critical TPSPs to ensure maintenance of this Plan as well as mitigations and/or other staging actions designed to ensure timely recovery from a disaster are undertaken and maintained; and
5. ensuring this Plan is distributed any time a material change is made but at least once annually to key stakeholders including: BCC, Backup to the BCC, appropriate representatives of affiliates of the Company, and the management company.

Lines of Authority, Succession of Management & Delegation of Authority

The BCC has overall responsibility for the Plan. The Company does not have employees, systems, applications, buildings, equipment, nor does the Company maintain a network and therefore the expectation is that operational authority will be delegated to employees of affiliates, management company, or other TPSPs, as deemed appropriate by the BCC and/or the Board, including an employee of one of these entities potentially serving as the Company's BCC. The Company's ability to maintain a state of readiness to be able to promptly end effectively respond to a disaster necessarily rests primarily with TPSPs and/or affiliates of the Company. The priority of delegation of authority based on availability will be: 1) BCC, 2) lead management company representative, 3) lead parent company representative, all as detailed in the Company's Disaster Response Plan.

Business Impact Analysis

The BCC shall ensure the Company performs a BIA at least annually. This analysis shall emphasize the capacity of the Company to continue its normal business operations during and immediately after a disaster. The BCC will lead the development and review of the BIA and will ensure mitigations and/or recovery strategies are put in place to minimize the operational and financial impact of disruption. The BIA shall include identification of major business processes and recovery point objectives. See attached Appendix B for current BIA.

Interaction with External Business Entities, Including TPSPs

As explained in the Introduction to this Plan, the Company is a captive insurance company and does not have employees, systems, applications, buildings, equipment, nor does the Company maintain a network. Accordingly, the Company relies primarily on robust third party service provider ("TPSP") vetting, a management company, and the Company's affiliates to conduct Company operations. Notification of a disaster will more likely than not come to the attention of the BCC via a declaration from a TPSP that they have experienced a disaster or from the Company's management company, advising receipt of notice of a disaster by a TPSP that conducts important Company operations.

It is also possible that the Company's parent or another affiliate could experience a disaster that impacts their employees, systems, applications, buildings, equipment, or network, resulting in impairment of processing of Company activity. One beneficial side effect of the distributed way the Company conducts its operations, and a component of the Company's business continuity strategy, is the low probability that all major aspects of the Company's processing will be affected simultaneously. For example,

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Company operations are distributed across multiple entities; TPSPs of the Company have operations located across multiple states and in the case of the management company, has operations in multiple countries.

Disaster Declaration and Response

A "Disaster Declaration" is a formal notification process that accomplishes two main objectives:

1. It formally sets the restoration and recovery processes in motion;
2. It notifies and activates the recovery teams that they need to assist the Company through the disaster.

The BCC will be the primary point of contact, make the disaster declaration, coordinate with regulators, and ensure timely notification is delivered to appropriate members of the Notification List(s) detailed in the appendix to the Company's Disaster Response Plan, using best available means under the circumstances, with priority on using email communications if available. The BCC will also provide guidance regarding procedural changes in effect during the disaster, updates on disaster remediation, etc., at appropriate points as indicated by the specifics of the disaster, but no less frequently than once daily to entities listed in Notification List 1 of the Appendix to the Company's Disaster Response Plan unless otherwise agreed at the time of the disaster. The BCC is also responsible for guiding the Company and coordinating TPSPs as to any requirements related to disaster response and efforts to return the Company to normal operations and for revoking the Disaster Declaration when the disaster is over.

The BCC shall make the Disaster Declaration decision based on all available information but with top priority placed on the impact on the Company's ability to meet policyholder obligations. If as a result of a disaster there is significant potential for impact to the Company's ability to meet policyholder obligations, then that should be viewed as strong evidence that a Disaster Declaration should be declared. In addition, a disaster impacting a critical service provider of the Company should also be viewed as strong evidence that a Disaster Declaration should be declared by the Company.

Business Processes, Information Technology and Data

It is important that the Company be able to continue its normal business processes in the event of a disaster. As mentioned in the Introduction to this Plan, the Company is a captive insurance company and as such does not have employees, systems, applications, buildings, equipment, nor does the Company maintain a network. Instead, the Company relies on the affiliates of the Company and on robust TPSP vetting, particularly related to the Company's management company. This vetting will include reasonable efforts to periodically confirm those entities have appropriate Disaster Response and Business Continuity Plans in place related to Company operations. The TPSPs are located across multiple states and in the case of the management company, has operations in multiple countries, and has made representations that critical Company data are replicated to an offsite location at regular intervals during the workday and that physical backups are made and securely stored offsite daily. The

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expectation is that these factors will mean minimal interruption to Company operations, and rapid recovery of data if required, in the event of a disaster impacting Company operations.

The distributed way the Company conducts its operations and its reliance on TPSPs makes for a low probability that all major aspects of the Company's processing will be affected simultaneously. However, in the event of a major event that impacts multiple locations, the Company aims to commence near normal business processes with access to information systems and data within a reasonable time, factoring the BIA. Depending on the severity of the event, 'reasonable time' could vary from 48 hours to two weeks as prescribed in the BIA.

Training & Testing

The BCC shall periodically -- at least once every three years -- host a formal meeting with employees of an appropriate affiliate or affiliates of the Company as well as employees of the Company's management Company to walk through this Plan, with an emphasis on recovery strategies, recovery point objectives and business processes identified as critical as a result of the BIA. During this process the BCC shall secure updated representations regarding disaster response and business continuity plans in place at these entities related to Company operations. The meeting shall be documented in Company files and any findings suggesting amendments to this Plan or the Disaster Response Plan of the Company shall be actioned for timely remediation.

Regulatory Compliance

This Plan may also serve the purpose of satisfying any regulatory requirements applicable to the Company related to business continuity and disaster response. Accordingly, the BCC should be familiar with applicable requirements and ensure those requirements are factored into this Plan, including arranging updates to the Plan from time-to-time as indicated from such review and monitoring.

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APPENDIX A

Business Continuity Coordinator (Disaster Liaison or Disaster Leader) Name	Gemma Mah
Business Continuity Coordinator (Disaster Liaison or Disaster Leader) - Address\Email\Phone(s)	c/o Marsh Management Services, Inc. 1166 Avenue of the Americas New York, NY 10036 Email: gemma.mah@marsh.com Tel: (778) 957-4991
Backup to Business Continuity Coordinator (Disaster Liaison or Disaster Leader) Name	Andrew Negro
Backup to Business Continuity Coordinator (Disaster Liaison or Disaster Leader) - Address\Email\Phone(s)	c/o New York Power Authority 123 Main Street White Plains, NY 10061 Email: andrew.negro@nypa.gov Tel: (914) 681-6245

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NYPA Captive Insurance Company ("Company")

BUSINESS IMPACT ANALYSIS

As of July 29, 2025

Process	Description	Point in time the BI has a greater impact	Amount of time before the BI has operational or financial impact	Operational / Financial Impact of a BI Event	Resources needed to continue operations at varying levels of disruption	Potential for dissatisfaction or defection by customers
Insurance policy issuance	Policy wording is coordinated by Marsh; signed by an Officer of the Company	Annually at the policy effective dates: January 1, June 15, November 1	Minimal if any impact	Delay in evidencing coverage to parent/affiliate, although no significant impact since the ultimate risk remains with parent/affiliate.	Process could be coordinated by an officer of the Company working for parent/affiliate or its broker or Colleagues from another Marsh office at a different location.	No impact as the insured is the parent/affiliates
Claims Handling	Company does not have a duty to defend. All public-facing activity is handled by a commercial insurer and/or a TPA. And non-public facing claims are handled by the Parent and a TPA where applicable.	NA	NA	NA	NA	NA

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Cash and Treasury function	A low volume activity exclusively executed by the Parent's Treasury team.	No special periods or deadlines	Varies by type of payment, but generally 3+ months	**Claim Payments:** insignificant as the payee is the Parent/affiliate **Operating Expenses:** Usually quarterly payments. Delays have no significant impact **Premium:** Minimal if any impact. Timing can be changed & is paid electronically by the Parent.	Parent/affiliate's treasury functions are critical part of their own operations which has its own BCP.	No impact as the insured is the Parent/affiliates
Regulatory Reporting	Marsh prepares the regulatory reports, approved by Officers prior to submission	During February and March	A delay of 3+ months may be impactful	Regulators will likely grant extensions, especially after a disaster. Delayed filings could result in penalties and/or reputational damage.	Marsh has multiple offices in multiple locations with its own BCP that can be activated and the work distributed to other offices	No impact to the Customer or Insured
Accounting and financial reporting	Marsh prepares monthly financial statements for submission to Parent.	Little or no impact at Monthly intervals. Low to Medium impact at year-end	1-2 months or more – impact depends on the time of the year, resulting in delays in consolidating Company financials with parent	1-2 months or more resulting in delays in consolidating Company financials with parent	Parent/affiliate accounting team with knowledge of Company financials can help. Colleagues from another Marsh office can help meet the needs.	No impact to the Customer or Insured

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Exhibit 3

DISASTER RESPONSE PLAN

NYPA Captive Insurance Company ("Company")

NAIC # 17509

EFFECTIVE: JULY 29, 2025

Introduction

This Disaster Response Plan ("Plan") is designed to help ensure that key business processes of the Company will continue during a disaster or at least have high potential to be restored within a reasonable period of time following a disaster with the main objective of being able to continue to meet policyholder and claimant expectations despite the disaster. The Company needs to periodically review for potential threats of disaster and devise plans to ensure timely recovery. These efforts will include periodically conducting a Risk Based Analysis ("RBA") of the Company's capacity to assist its insureds when affected by a disaster, and subsequently to modify this Plan if indicated. The RBA involves review of the risks faced by the insureds that are covered by the insurance programs offered by the Company and factoring the mitigating and remedial actions possible given the different types and extent of disaster. This Plan is organized as a plan outline followed by an Appendix containing specific role assignments, Notification Lists, etc., referred to in actions of the Plan.

The Company is a Captive Insurance Company and as such does not have employees, systems, applications, buildings, equipment, nor does the Company maintain a network. Instead, the Company relies on the affiliates of the Company and on robust third party service provider ("TPSP") vetting, particularly related to the Company's management company, including reasonable efforts to confirm those entities have appropriate Disaster Recovery Plans in place related to Company operations. Please refer to the Company's Third Party Service Provider Security Policy for additional detail on the protocols the Company follows related to engaging, monitoring, and contracting with TPSPs. As a captive insurance company, the Company is licensed to insure only risks related to its affiliates and their operations.

The rest of this document provides key steps to be taken to maximize the chance of timely recovery of the Company's operations and continuity of delivery of policyholder services in the event of a disaster. These processes and procedures are not meant to be all-inclusive, and actual processes may include additional steps as dictated by the scope and consequences of the disaster and impact to affiliates and TPSPs of the Company. The specifics of the situation will need to be taken into consideration. In all cases, though, this document should be referred to at the onset of a potential disaster and be factored as disaster response activities progress.

Roles & Responsibilities

The Business Continuity Coordinator ("BCC") oversees compliance with this Plan and has responsibility for:

1. ensuring a RBA is conducted at least annually;
2. having overall responsibility for the Company's response to a disaster;
3. ensuring overall maintenance of this Plan including ensuring this plan is reviewed at least once annually, approved by the Board at least once annually, and updated as required;

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4. working with the Company's affiliates, management company, and other critical TPSPs to ensure compliance with this Plan;
5. working with the Company's affiliates, management company, and other critical TPSPs to guide the Company through the Disaster Response if a disaster occurs;
6. ensuring this Plan is distributed any time a material change is made but at least once annually to key stakeholders including: BCC, Backup to the BCC, appropriate representatives of affiliates of the Company, and the management company;
7. acting in the capacity of liaison for the Company with any applicable regulatory authority including as provided for in any statute, regulation or other binding requirements; and
8. activating, deactivating and monitoring the Plan.

Lines of authority, succession of management & delegation of authority

The BCC has overall responsibility for the Plan but because the Company does not have employees, systems, applications, buildings, equipment, nor does the Company maintain a network, the expectation is that operational authority will be delegated to employees of affiliates, management company, or other TPSPs, as deemed appropriate by the Board, including an employee of one of these entities potentially serving as the Company BCC, and that the Company's ability to respond to a disaster necessarily rests primarily with TPSPs and/or affiliates of the Company.

Risk Based Analysis

The BCC shall ensure the Company performs a RBA at least annually. The analysis shall emphasize the capacity of the Company to assist customers affected by a disaster and shall use the results to maintain and periodically update this Plan as indicated by the analysis efforts.

Interaction with external business entities, including TPSPs

As explained in the introduction of this document, the Company is a captive insurance company and does not have employees, systems, applications, buildings, equipment, nor does the Company maintain a network. Accordingly, the Company relies primarily on robust third party service provider ("TPSP") vetting, a management company, and the Company's affiliates to conduct Company operations. Notification of a disaster will more likely than not come to the attention of the BCC via a declaration from a TPSP that they have experienced a disaster or from the Company's management company, advising receipt of notice of a disaster by a TPSP that conducts important Company operations.

It is also possible that the Company's parent or another affiliate could experience a disaster that impacts their employees, systems, applications, buildings, equipment, or network, resulting in impairment of processing of Company activity and an associated impact on the Company's ability to assist the Company's insureds when affected by a disaster. One beneficial side effect of the distributed way the Company conducts its operations is the low probability that all major aspects of the Company's processing will be affected simultaneously. For example, TPSPs of the Company are located across multiple states and in the case of the management company, has operations in multiple countries.

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Disaster Declaration and Response

A "Disaster Declaration" is a formal notification process that accomplishes two main objectives:

1. It formally sets the restoration and recovery processes in motion; and
2. It notifies and activates the recovery teams that they need to assist the Company through a disaster.

The BCC will be the primary point of contact, make the disaster declaration, coordinate with regulators, and ensure timely notification is delivered to appropriate members of the Notification List(s) in the appendix to this Plan, using best available means under the circumstances, with priority on using email communications if available. The BCC will also provide guidance regarding procedural changes in effect during the disaster, updates on disaster remediation, etc., at appropriate points as indicated by the specifics of the disaster, but no less frequently than once daily to entities listed in Notification List 1 of the Appendix unless otherwise agreed at the time of the disaster. The BCC is also responsible for guiding the Company and coordinating TPSPs as to any requirements related to disaster response and efforts to return the Company to normal operations and for revoking the Disaster Declaration when the disaster is over.

The BCC shall make the Disaster Declaration decision based on all available information but with top priority placed on the impact on the Company's ability to meet policyholder obligations. If as a result of a disaster there is significant potential for impact to the Company's ability to meet policyholder obligations, then that should be viewed as strong evidence that a Disaster Declaration should be made. In addition, a disaster impacting a critical service provider of the Company should also be viewed as strong evidence that a Disaster Declaration should be made by the Company.

Regulatory Compliance

This Plan may also serve the purpose of satisfying any regulatory requirements applicable to the Company related to disaster response. Accordingly, the BCC should be familiar with applicable requirements and ensure those requirements are factored into this Plan, including arranging updates to the Plan from time-to-time as indicated from such review and monitoring.

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APPENDIX A

Business Continuity Coordinator (Disaster Liaison or Disaster Leader) Name	Gemma Mah
Business Continuity Coordinator (Disaster Liaison or Disaster Leader) - Address\Email\Phone(s)	c/o Marsh Management Services, Inc. 1166 Avenue of the Americas New York, NY 10036 Email: gemma.mah@marsh.com Tel: (778) 957-4991
Backup to Business Continuity Coordinator (Disaster Liaison or Disaster Leader) Name	Andrew Negro
Backup to Business Continuity Coordinator (Disaster Liaison or Disaster Leader) - Address\Email\Phone(s)	c/o New York Power Authority 123 Main Street White Plains, NY 10061 Email: andrew.negro@nypa.gov Tel: (914) 681-6245
Company domicile	New York
Company headquarters address	c/o New York Power Authority 123 Main Street White Plains, NY 10061
Company administrative office(s) for claims, policy and contract changes, processing premium payments, other services (list multiple locations and function if more than one)	c/o Marsh Management Services Inc. 1166 Avenue of the Americas New York, NY 10036 Email: gemma.mah@marsh.com Tel: (778) 957-4991 c/o New York Power Authority 123 Main Street White Plains, NY 10061 Email: andrew.negro@nypa.gov Tel: (914) 681-6245
Kinds of insurance products sold	The Company writes the following lines of business: **Deductible Reimbursement Policies:** 1. Property 2. Cybersecurity 3. General Liability

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Kinds of insurance products sold (Cont'd)	The Company provides deductible reimbursement coverage to affiliates for the above lines where the Company reimburses the affiliates for the losses they experience in the deductible layer under their commercial insurance programs. All public-facing activities, including claims adjustments and payments, are handled by a commercial carrier. The commercial insurance policies with the affiliates provides for the affiliates to reimburse the carrier for the deductible layer. The Company does not have a duty to defend or an obligation to pay on behalf of affiliates although the Company may choose to do so from time-to-time for administrative convenience – the Company only reimburses deductible losses incurred by affiliates. <u>Risk Evaluation of Deductible Reimbursement Policies</u>: *No impact to public-facing activity, even if there are several months of inactivity by the Company. After 3+ months of inactivity there may be a minimal impact to affiliates (also see Business Impact Analysis)* **<u>Primary Policy:</u>** 1. Terrorism The Company provides coverage to affiliates for the above line where the Company reimburses the Parent for the losses they experience. The Company does not have a duty to defend or an obligation to pay on behalf of affiliates although the Company may choose to do so from time-to-time for administrative convenience – the Company only reimburses its share of losses incurred by affiliates. <u>Risk Evaluation of Primary Policy</u>: *No impact to public-facing activity, even if there are several months of inactivity by the Company. After 3+ months of inactivity there may be a minimal*

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	impact to affiliates (also see Business Impact Analysis)
Notification List 1 – Parent, Affiliate and TPSP primary contacts responsible for conducting Company operations (entities critical to the Company's ongoing operations)	LEAD PARENT & AFFILIATE CONTACT Andrew Negro c/o New York Power Authority 123 Main Street White Plains, NY 10061 Email: andrew.negro@nypa.gov Tel: (914) 681-6245 LEAD MANAGEMENT COMPANY REPRESENTATIVE Gemma Mah c/o Marsh Management Services, Inc. 1166 Avenue of the Americas New York, NY 10036 Email: gemma.mah@marsh.com Tel: (778) 957-4991
Notification List 2 – policyholders and other key TPSPs not already scheduled in Notification List 1	POLICYHOLDER CONTACT Elizabeth Clarke-Pilgrim Manager Corporate Insurance New York Power Authority 123 Main Street White Plains, NY 10601 914-582-0985 Elizabeth.Clarke-Pilgrim@nypa.gov LEGAL CONTACT Same as above 'Parent & Affiliate Contact' PARENT BROKERS *Property Policy* Christine Looes Managing Director Marsh, Inc. 1166 Avenue of Americas New York, NY 10036 212-345-3394 Christine.Looes@marsh.com *GL Policy*

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	Boris Pisman Senior Director WTW Willis Towers Watson Northeast, Inc. 200 Liberty Street New York, NY 10281 212-915-7896 boris.pisman@wtwco.com *Cyber Policy* Rob Logan Senior Vice President McGriff Energy 5080 Spectrum Drive, Suite 900E Addison, TX 75001 469-232-2150 rlogan@mcgriff.com REGULATOR Bernard Lott Department of Financial Services Property Bureau 1 State Street, 4th Floor New York, NY 1004 Email: bernard.lott@dfs.ny.gov Tel: (212) 480-2046

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Sébastien Vignola, ACAS, MAAA
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www.marsh.com

Statement of Actuarial Opinion
NYPA Captive Insurance Company
Annual Statement for the year ending December 31, 2024
February 24, 2025

Identification

I, Sébastien Vignola, ACAS, MAAA, am an actuarial consultant associated with the firm of Marsh Management Services Inc. I was appointed by the Board of Directors of NYPA Captive Insurance Company (hereinafter referred to as the "Company") on July 16, 2024 to render this opinion. I meet the definition of a Qualified Actuary per the NAIC Annual Statement Instructions – Property and Casualty, Actuarial Opinion.

Scope

The loss and loss adjustment expense reserves are the responsibility of the Company's management; my responsibility is to express an opinion on these reserves based on my review. I have examined the actuarial assumptions and methods used in determining the reserves listed in Exhibit A, as shown in the Annual Statement of the Company as prepared for filing with state regulatory officials as of December 31, 2024. The reserves listed in Exhibit A, where applicable, include provisions for Disclosure items (disclosures 8 through 13.2) in Exhibit B. My review considered information provided to me through December 31, 2024.

In forming my opinion on the loss and loss adjustment expense reserves, I have relied on listings and other relevant data provided by David Carman, Account Manager at Marsh Management Services Inc. I have performed no verification as to the accuracy of this data; however, I have evaluated the data for reasonableness as well as consistency to prior data and the Company's financial records. In other respects, my examination included such review of the actuarial assumptions and methods used and such tests of the calculations as I considered necessary.

Note that, since the Company has not issued any policies with durations of 13 months or greater, I have not reviewed the Company's unearned premium reserves.

I have reviewed the December 31, 2024 loss and loss adjustment expense reserves recorded under accounting principles generally accepted in the United States of America (U.S. GAAP). My review related only to those reserves identified herein, and I do not express an opinion on the Company's financial statements taken as a whole. I have not reviewed any of the Company's assets, and I have not formed any opinion as to their validity or value. My opinion rests on the assumption that the Company's December 31, 2024 reserves identified in Exhibit A are funded

by valid assets that have suitably scheduled maturities or adequate liquidity to meet cash flow requirements.

Opinion

In my opinion, the amounts carried in Exhibit A on account of the items identified:

A. Meet the requirements of the insurance laws of New York;

B. Are consistent with reserves computed in accordance with accepted actuarial standards; and

C. Make a reasonable provision in the aggregate for all unpaid loss and loss adjustment expense obligations of the Company under the terms of its contracts and agreements.

Relevant Comments

Company Specific Risk Factors

Actuarial estimates of property and casualty loss and loss adjustment expense reserves are inherently uncertain because they are dependent on future contingent events. Also, these reserve estimates are generally derived from analyses of historical data, and future events or conditions may differ from the past. The actual amount necessary to settle the unpaid claims may therefore be significantly different from the reserve amounts listed in Exhibit A.

The following provides major factors and/or particular conditions underlying the risks and uncertainties that I consider relevant to the Company's carried reserves at December 31, 2024.

The Company is newly formed, having written business for only 16 months. Thus, it lacks a credible loss history and is subject to volatility in loss experience.

The Company writes coverages that tend to be low frequency and potentially high severity in nature. These types of coverage generally exhibit higher volatility of ultimate losses from year to year. In addition, the Company writes terrorism limits up to $500 million per occurrence and in aggregate, property limits up to $10 million per occurrence with no aggregate, cybersecurity limits of $5 million per occurrence and in aggregate, and general liability limits of $4.8 million per occurrence and in aggregate. These factors add additional uncertainty to my estimation of unpaid losses, but are mitigated by the fact all coverages are either written on a claims-made basis or are such that a claim would be readily known, and there have been no claims reported as of December 31, 2024.

Risk of Material Adverse Deviation

My Materiality Standard for purposes of addressing the risk of material adverse deviation of the Company's reserves for unpaid loss and loss adjustment expenses has been established as approximately 10% of the Company's recorded Capital and Surplus as of December 31, 2024, or $11.5 million. This materiality standard was determined based on the fact that the findings in my report will be relied on for regulatory purposes and other considerations such as the lines of business and policy limits written by the Company.

I believe there are significant risks and uncertainties associated with the Company's net loss and loss adjustment expense reserves that could result in material adverse deviation. I have identified the major risk factors underlying the significant risks and uncertainties that I consider relevant to the Company to be its recent formation, the low frequency and high severity nature of the coverages written, and the fact that the Company writes high policy limits. These risk factors are described in greater detail in the preceding section and in the report supporting this opinion. The absence of other risk factors from this list is not meant to imply that additional factors cannot be identified in the future as having had a significant influence on the Company's reserves.

Other Disclosures

Discounting

The Company does not discount its reserves listed in Exhibit A for the time value of money.

Asbestos and Environmental Exposure

I have reviewed the Company's exposure to asbestos and environmental claims. In my opinion, the chance of material liability is remote since there have been no claims reported under the Company's general liability coverage and it is written on a claims-made basis.

Reinsurance

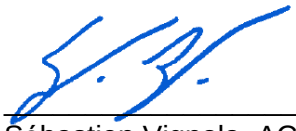
The Company does not have any ceded or assumed reinsurance.

Economic and Social Inflation

The Company is exposed to lines of business that are sensitive to general economic and social inflation trends. Actual losses are dependent on future contingent events, e.g., court decisions, claimants' attitudes towards awards, etc. I have not anticipated any extraordinary changes to the legal, social, or economic environment that might affect the cost and frequency of claims; however, trends observed in the recent inflationary environment add uncertainty to my estimates.

* * * * *

This opinion was prepared solely for the purpose of filing with regulatory agencies and is not intended for any other purpose. An actuarial report and underlying workpapers supporting the findings in this statement of actuarial opinion have been provided to the Company, to be retained for a period of seven years at its administrative offices and will be available for regulatory examination.



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+1 802 864 3314
sebastien.y.vignola@marsh.com
February 24, 2025

NYPA Captive Insurance Company
December 31, 2024
Exhibit A: Scope

Loss and Loss Adjustment Expense Reserves		
1.	Reserve for Unpaid Losses – Net	$0
2.	Reserve for Unpaid Loss Adjustment Expenses – Net	$0
	Total Net Unpaid	$0
3.	Reserve for Unpaid Losses – Direct and Assumed	$0
4.	Reserve for Unpaid Loss Adjustment Expenses – Direct and Assumed	$0
	Total Direct and Assumed Unpaid	$0
5.	Retroactive Reinsurance Reserve Assumed	N/A
6.	Other Loss Reserve items on which the Appointed Actuary is expressing an Opinion	N/A
Premium Reserves		
7.	Reserve for Direct and Assumed Unearned Premiums for P&C Long Duration Contracts	N/A
8.	Reserve for Net Unearned Premiums for P&C Long Duration Contracts	N/A
9.	Other Premium Reserve items on which the Appointed Actuary is expressing an Opinion	N/A

NYPA Captive Insurance Company
December 31, 2024
Exhibit B: Disclosures

1.	Name of the Appointed Actuary	Last Vignola	First Sebastien	Mid Y.
2.	The Appointed Actuary's relationship to the Company. Enter E or C based upon the following: E if an Employee of the Company or Group C if a Consultant			C
3.	The Appointed Actuary has the following designation (indicated by the letter code): F if a Fellow of the Casualty Actuarial Society (FCAS) A if an Associate of the Casualty Actuarial Society (ACAS) M if not a member of the Casualty Actuarial Society, but a Member of the American Academy of Actuaries (MAAA) approved by the Casualty Practice Council, as documented with the attached approval letter O for Other			A
4.	Type of Opinion, as identified in the OPINION paragraph. Enter R, I, E, Q, or N based upon the following: R if Reasonable I if Inadequate or Deficient Provision E if Excessive or Redundant Provision Q if Qualified. Use Q when part of the OPINION is Qualified N if No Opinion			R
5.	Materiality Standard expressed in US dollars (Used to Answer Question #6)			$11,500,000
6.	Are there significant risks that could result in Material Adverse Deviation?			Yes [X] No [ ] Not applicable [ ]
7.	Total Capital and Surplus			$116,396,633
8.	Anticipated net salvage and subrogation included as a reduction to loss reserves			$0
9.	Discount included as a reduction to loss reserves and loss expense reserves			
	9.1 Nontabular Discount			$0
	9.2 Tabular Discount			$0
10.	The net reserves for losses and loss adjustment expenses for the Company's share of voluntary and involuntary underwriting pools' and associations' unpaid losses and loss adjustment expenses that are included in reserves			$0
11.	The net reserves for losses and loss adjustment expenses that the Company carries for the following liabilities *			
	11.1 Asbestos			$0
	11.2 Environmental			$0
12.	The total claims made extended loss and loss adjustment expense, and unearned premium reserves			
	12.1 Amount reported as loss and loss adjustment expense reserves			$0
	12.2 Amount reported as unearned premium reserves			$0
13.	The net reserves for the A&H Long Duration Contracts that the Company carries in the following categories:			
	13.1 Losses			$0
	13.2 Loss Adjustment Expenses			$0
	13.3 Unearned Premium			$0
	13.4 Write-In			$0
14.	Other items on which the Appointed Actuary is providing relevant comment			$0

* The reserves disclosed in line 11 above, should exclude amounts relating to contracts specifically written to cover asbestos and environmental exposures. Contracts specifically written to cover these exposures include Environmental Impairment Liability (post 1986), Asbestos Abatement, Pollution Legal Liability, Contractor's Pollution Liability, Consultant's Environmental Liability, and Pollution and Remediation Legal Liability.

Marsh

Exhibit 5

NYPA Captive Insurance Company

Analysis of Unpaid Claims Liabilities as of December 31, 2024

May 13, 2025

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Section 1
Project Scope and Intended Purpose

Project Scope

NYPA Captive Insurance Company ("NYPA") has retained Marsh Management Services Inc. ("Marsh") to provide an independent actuarial analysis of its unpaid claims liability for losses and loss adjustment expenses ("LAE") as of December 31, 2024, based on data evaluated as of December 31, 2024 and information provided by NYPA through January 21, 2025. No subsequent data was supplied or considered for the purposes of our analysis. In conjunction with this analysis, Sébastien Vignola will provide a Statement of Actuarial Opinion regarding NYPA's carried loss and LAE reserves as of December 31, 2024.

Intended Purpose

The intended purpose of this report is to present our findings on the items within the scope of this analysis to NYPA's management. It is our understanding that NYPA's management will consider the results of our analysis in its determination of a reasonable funding level for its unpaid claims liability for external financial reporting and internal management reporting. In addition, this report provides support for the items within the scope of the Statement of Actuarial Opinion.

This report has been shared with David Carman, Vice President with Marsh and Senior Account Manager for NYPA. Mr. Carman has primary responsibility for oversight of the financial statements of NYPA and coordinates with the Board of Directors in establishing the carried reserves based on our findings.

Sébastien Vignola, the Appointed Actuary of NYPA, acts as an independent actuarial consultant to NYPA and its Board of Directors. Sébastien Vignola advises NYPA management on the reasonableness of the items discussed above but does not explicitly advise management or the Board in the reserve setting process.

This report contains the results of our review, as well as a discussion of the methods and assumptions underlying our analysis. The supporting data, analysis, descriptions, and exhibits contained in this report are provided to support the conclusions stated herein and are not necessarily suitable for any other purpose.

Section 2
Background on Company

NYPA is a New York captive insurance company formed in 2023. NYPA is the wholly owned captive subsidiary of the New York Power Authority. The New York Power Authority is America's largest state power organization, with 17 generating facilities and more than 1,550 circuit-miles of transmission lines. State and federal regulations shape New York Power Authority's diverse customer base, which includes large and small businesses, not-for-profit organizations, community-owned electric systems, and rural electric cooperatives and government entities. New York Power Authority provides the lowest-cost electricity in New York State and is the only statewide electricity supplier.

NYPA provides the following coverages to its parent:

Coverage	Period	Limits
Property	9/1/2023 - 11/1/2023 11/1/2023 - 11/1/2025	$5 million per occurrence, no aggregate $10 million per occurrence, no aggregate
Nuclear, Biological, Chemical & Radiological Terrorism (“TRIA NBCR”)	9/1/2023 - 11/1/2025	$500 million per occurrence and in aggregate
Cybersecurity	1/1/2024 - 1/1/2025	$5 million per occurrence and in aggregate
General Liability	6/15/2024 - 6/15/2025	$4.8 million per occurrence and in aggregate, above $200,000 deductible

Note that NYPA currently provides Property Certified Terrorism coverage including Nuclear, Biological, Chemical, and Radiological (“NBCR”) events, as defined under the Terrorism Risk Insurance Act of 2002 (“TRIA”) and subsequent extensions through the Terrorism Risk Insurance Program Reauthorization Act (“TRIPRA”) most recently passed in December 2019. The NYPA policy also includes property coverage for TRIPRA events other than NBCR. In the event that NYPA makes a payment under the policy for any insured loss resulting from a Certified Act of Terrorism, NYPA will be partially reimbursed by the United States government under a formula established by federal law. Under this formula, the United States government would pay 80% of insured losses exceeding the statutorily established deductible paid by

NYPA in providing coverage. The federal law, as extended, is set to expire December 31, 2027. No certified acts of terrorism had occurred as of December 31, 2024

NYPA is managed by Marsh's New York, NY office. Marsh has provided actuarial services to NYPA and its parent since 2022.

Section 3
Disclosures and Limitations

Disclosures

1. Basis of Presentation

The estimates presented in this report are intended to represent actuarial central estimates that, consistent with the applicable actuarial standard of practice, we define as an expected value over the range of reasonably possible (as opposed to all conceivable) outcomes.

In addition, the estimates in this report are presented on the following basis:

- Estimates are limited to NYPA's per occurrence retentions with no consideration of excess insurance.
- Estimates are net of deductibles and net of subrogation and salvage (to the extent captured in the historical claims data).
- Estimates are presented on an undiscounted basis and do not include an explicit risk margin.
- Estimates include provision for allocated loss adjustment expenses only, no provision for claims handling is considered in this report.
- Figures presented within the text of this report and supporting exhibits are generally shown to more significant digits than their accuracy suggests; this has been done to simplify review of the calculations.

2. Definitions

Accounting Date – the stated cut-off date for reflecting events and recording amounts as paid or unpaid in a financial statement or accounting system.

Case Outstanding – estimate of unpaid claims established by the claims department, third-party adjusters, or independent adjusters for known and reported claims only.

Carried Reserve – the reserve amount for unpaid claims that is reported in a published statement or in an internal statement of financial condition.

Coverage – the terms and conditions of a plan or contract, or the requirements of applicable law, which create an obligation for the claim payment associated with contingent events.

Event – the incident or activity that triggers potential for claim or claim adjustment expense payment.

Explicit Risk Margin – an explicit provision for uncertainty in a reserve or unpaid claim estimate.

Exposure base – a measure that quantifies and proxies for an insurer's exposure to loss.

Frequency – number of claims per unit of exposure.

Incurred But Not Reported ("IBNR") Losses – broadly defined as the estimate of unpaid claims relating to future development on known claims, reopened claims, claims incurred but not reported and claims in transit (i.e., claims reported but not yet recorded).

Incurred Claim – a claim that has either closed with payment or is still open.

Loss – the cost that is associated with an event that has taken place and that is subject to coverage. It is also known as "claim amount." The term "loss" may include loss adjustment expenses as appropriate.

Loss Adjustment Expense ("LAE") – the costs of administering, determining coverage for, settling, or defending claims even if it is ultimately determined that the claim is invalid. Loss adjustment expenses that are assignable or allocable to specific claims are referred to as allocated loss adjustment expense ("ALAE"). All other loss adjustment expenses are considered unallocated loss adjustment expense ("ULAE").

Loss Development Factor – a "loss development factor" ("LDF"), or multiplier, is applied to a claim or group of claims in an effort to more accurately project the ultimate amount for which they will be settled.

Loss Ratio – the ratio of losses to premium earned, expressed as a percentage.

Method – a systematic procedure for estimating unpaid claims.

Model – a mathematical or empirical representation of a specified phenomenon.

Model Risk – the risk that the methods are not appropriate to the circumstances, or the models are not representative of the specified phenomenon.

Paid Losses – the sum of cumulative paid losses at a particular point in time.

Pure Premium – a measure of losses per unit of exposure.

Parameter Risk – the risk that the parameters used in the methods or models are not representative of future outcomes.

Present Value – the value at a point in time of cash flows at other points in time, calculated at selected interest rates. It is also known as “discounted present value” or “discounted value.”

Process Risk – the risk associated with the projection of future contingencies that are inherently variable, even when the parameters are known with certainty.

Reported Losses – the sum of cumulative paid losses and case outstanding losses at a particular point in time. Also referred to as “incurred losses.”

Reserve – an amount recorded in financial statements or accounting systems in order to reflect potential obligations.

Review Date – the date (subsequent to the valuation date) through which material information known to the actuary is included in forming the reserve opinion.

Severity – the average cost per claim.

Trend Factor – an index which measures changes (i.e., inflation or other systematic influences) over time. Trend factors are used to restate historical values of losses and/or exposures to a cost level at a common point in time.

Ultimate Loss – the total dollar value after all claims are settled and closed without the possibility of reopened claims. Ultimate loss is the sum of three components: cumulative paid loss, case outstanding, and IBNR.

Unpaid Claim Estimate – an estimate of the obligation for future payment resulting from claims due to past events. The unpaid claim estimate includes five components: case outstanding on known claims, provision for future development on known claims, estimate for reopened claims, provision for claims incurred but not reported, and provision for claims in transit (i.e., claims reported but not yet recorded).

Valuation Date – the date through which transactions are included in the data used in the unpaid claim estimate analysis.

3. Other Disclosures

This is Marsh’s first analysis for NYPA.

Distribution and Use

Our report has been prepared solely for use by NYPA as a guide in its determination of a reasonable funding level for its unpaid loss and LAE liabilities. We understand that this report may be distributed to NYPA’s auditors and insurance regulators. Such use is granted on the condition that the report is supplied in its entirety. We are available to answer any questions that arise, and it is assumed that the users of this report will seek explanation as to any matter

in question. Any other use or distribution is expressly prohibited without our prior written consent.

This document and any recommendations, analysis, or advice provided by Marsh Management Services Inc. (collectively, "the Marsh Analysis") are intended solely for the entities identified as the recipients herein ("you"). This document contains proprietary, confidential information of Marsh and may not be shared with any third party, including other insurance producers, without Marsh's prior written consent. Any statements concerning tax, accounting, or legal matters are based solely on our experience as risk consultants and are not to be relied on as accounting, tax, or legal advice, for which you should consult your own professional advisors. Any modeling, analytics, or projections are subject to inherent uncertainty, and the Marsh Analysis could be materially affected if any underlying assumptions, conditions, information, or factors are inaccurate or incomplete or should change. The information contained herein is based on sources we believe reliable, but we make no representation or warranty as to its accuracy. Except as may be set forth in an agreement between you and Marsh, Marsh shall have no obligation to update the Marsh Analysis and shall have no liability to you or any other party with regard to the Marsh Analysis or to any services provided by a third party to you or Marsh. Marsh makes no representation or warranty concerning the application of policy wordings or the financial condition or solvency of insurers or reinsurers. Marsh makes no assurances regarding the availability, cost, or terms of insurance coverage.

Judgments as to the conclusions, recommendations, methods, and data contained in this report should be made only after studying the report in its entirety and understanding the reliances and limitations inherent in our analysis, as discussed in the Reliances and Limitations section of this report. Of particular note is the limitation that we cannot guarantee that actual losses and LAE will conform to our expectations. If actual losses and LAE exceed our projections, NYPA would still be responsible up to its applicable limits of liability.

Reliances and Limitations

1. Reliance on Data

In our analysis, we have relied on loss and exposure data provided by NYPA. We have relied on this data without independent verification; however, we did review certain aspects of the data for reasonableness and consistency. If it is later determined that the underlying data or information provided to us was inaccurate or incomplete, the results of our analysis may no longer be valid with respect to the intended purpose.

2. Uncertainty

We have employed techniques and assumptions that we consider to be appropriate for the circumstances. We believe the conclusions presented herein are reasonable, as constrained by the data available. However, it should be noted that actual loss emergence will likely

deviate, perhaps materially, from our estimates. Nonetheless, we believe our estimates are reasonable and are derived in accordance with accepted actuarial standards.

Any estimate of ultimate losses is necessarily statistical in nature, and there can be no guarantee that the indicated reserve levels will prove to be adequate and not excessive. Actual losses are dependent on future contingent events, e.g., court decisions, claimants' attitudes towards awards, etc. Furthermore, we have not anticipated any extraordinary changes to the legal, social, or economic environment that might affect the cost and frequency of claims.

Our projections make no provision for the extraordinary future emergence of new classes or types of losses not sufficiently represented in the company’s historical database or that are not yet quantifiable.

Our results are presented on a going concern basis, and do not contemplate changes in claim reporting or settlement patterns, claims handling practices, or claims cost that may result if NYPA were to cease operations and place remaining liabilities into run-off.

NYPA writes coverages that tend to be low frequency and high severity in nature. These coverages generally exhibit higher volatility of ultimate losses from year to year. This factor adds additional uncertainty to our estimation of ultimate losses.

Section 4
Summary of Results

Summary of Unpaid Claims Liabilities

On January 21, 2025, representatives of the New York Power Authority advised that there were no known claims with the potential to involve coverages provided by NYPA. Note that the majority of these coverages are either provided on a claims-made basis or are such that loss occurrences are readily known. Given the nature of the coverages provided and the absence of any reported losses at or near the layers insured, we believe reserves of $0 are appropriate for these coverages as of December 31, 2024.

Reinsurance

NYPA does not have any ceded or assumed reinsurance.

Company Specific Risk Factors

Actuarial estimates of property and casualty loss and loss adjustment expense reserves are inherently uncertain because they are dependent on future contingent events. Also, these reserve estimates are generally derived from analyses of historical data, and future events or conditions may differ from the past. The actual amount necessary to settle the unpaid claims may therefore be significantly different from the reserve amounts carried by NYPA.

The following provides major factors and/or particular conditions underlying the risks and uncertainties that we consider relevant to NYPA's carried reserves at December 31, 2024.

NYPA is newly formed, having written business for only 16 months. Thus, it lacks a credible loss history and is subject to volatility in loss experience.

NYPA writes coverages that tend to be low frequency and potentially high severity in nature. These types of coverage generally exhibit higher volatility of ultimate losses from year to year. In addition, the Company writes terrorism limits up to $500 million per occurrence and in aggregate, property limits up to $10 million per occurrence with no aggregate, cybersecurity limits of $5 million per occurrence and in aggregate, and general liability limits of $4.8 million per occurrence and in aggregate. These factors add additional uncertainty to our estimation of unpaid losses but are mitigated by the fact all coverages are either written on a claims-made basis or are such that a claim would be readily known, and there have been no claims reported as of December 31, 2024.

Risk of Material Adverse Deviation

Our Materiality Standard for purposes of addressing the risk of material adverse deviation of NYPA's reserves for unpaid loss and loss adjustment expenses has been established as approximately 10% of NYPA's recorded Capital and Surplus as of December 31, 2024, or $11.5 million. This materiality standard was determined based on the fact that the findings in our report will be relied on for regulatory purposes and other considerations such as the lines of business and policy limits written by NYPA.

We believe there are significant risks and uncertainties associated with NYPA's net loss and loss adjustment expense reserves that could result in material adverse deviation. We have identified the major risk factors underlying the significant risks and uncertainties that we consider relevant to NYPA to be its recent formation, the low frequency and high severity nature of the coverages written, and the fact that the Company writes high policy limits. These risk factors are described in greater detail in the preceding section. The absence of other risk factors from this list is not meant to imply that additional factors cannot be identified in the future as having had a significant influence on NYPA's reserves.

Section 5
Analysis

Data and Information

In order to perform our analysis, we relied on the following information that was provided by Andrew Negro at the New York Power Authority and David Carman at Marsh:

- Claims representation letter as of January 21, 2025
- A summary of NYPA's current and historical insurance program
- Policy documents
- NYPA's 2024 Unaudited Financial Statements
- NYPA's 2024 Annual Statement

Methodology

As previously mentioned, all other coverages afforded by NYPA are either provided on a claims-made basis or are such that loss occurrences are readily known. Given the nature of the coverages provided and representations by NYPA of no known claims with the potential to involve these coverages, we have estimated the unpaid claim liability to be $0 as of December 31, 2024.

Section 6
Conclusion and Qualifications

The estimation of loss liabilities is always subject to a high degree of variability. As is typically the case in assessing such loss liabilities, it is assumed that historical experience will provide a reliable indication of future loss emergence. It is possible that the data relied on, and the assumptions made in evaluating the unpaid claims liabilities of NYPA as of December 31, 2024 will not be predictive of NYPA's experience. Actual losses may differ, perhaps materially, from the amounts currently estimated. Nevertheless, we believe our estimates to be reasonable and to be the result of generally accepted actuarial practices.

I, Sébastien Vignola, am associated with the firm of Marsh Management Services Inc. I am a member of the Casualty Actuarial Society and the American Academy of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Prepared By:

Sébastien Vignola, ACAS, MAAA

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NYPA CAPTIVE INSURANCE COMPANY

(A Component Unit of the New York Power Authority)

Basic Financial Statements

As of December 31, 2024 and 2023

(With Independent Auditors' Report Thereon)

NYPA CAPTIVE INSURANCE COMPANY

(A Component Unit of the New York Power Authority)

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KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

Board of Directors
NYPA Captive Insurance Company:

Opinion

We have audited the financial statements of the NYPA Captive Insurance Company (the Company), a component unit of the New York Power Authority, as of and for the year ended December 31, 2024 and for the period from July 25, 2023 (commencement of operations) to December 31, 2023, and the related notes to the financial statements, which collectively comprise the Company's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the changes in its financial position and its cash flows for the year ended 2024 and for the period from July 25, 2023 (commencement of operations) to December 31, 2023 in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in

the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

New York, New York
June 25, 2025

Legislation enacted in May of 2022 (Chapter 193 of the Laws of 2022) amended the State insurance law to provide the New York Power Authority ("NYPA") with the legal authority to form a pure captive insurance company enabling NYPA to effectively provide coverage for risks not insurable on the traditional commercial markets, or prohibitively expensive to insure through the commercial markets and to provide NYPA with related tax exemptions.

On September 29, 2022, NYPA's Board of Trustees approved the formation of a subsidiary corporation called the NYPA Captive Insurance Company (the "Company"), and NYPA filed its 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 the Company, and the Company's Board of Directors held an organization meeting on May 25, 2023. On May 25, 2023, NYPA also contributed $250 as its initial capital contribution to the Company. An additional $99,750 of capital contribution was made on August 8, 2023 bringing the total contribution to $100,000. The DFS issued the requisite license to operate to the Company on July 25, 2023.

On September 1, 2023, the Company initially underwrote a TRIA Certified NBCR (Nuclear, Biological, Chemical, Radiological & Cyberterrorism) Terrorism policy with an aggregate limit of $500,000, which policy has a federal backstop, as well as a property deductible reimbursement line in the amount of $5,000 per occurrence. On November 1, 2023, the coverage limit for the property deductible reimbursement line was increased to $10,000 per occurrence. On January 1, 2024 the Company underwrote a cyber deductible reimbursement line in the amount of $5,000 per occurrence. On June 15, 2024, the Company also underwrote a general liability deductible reimbursement line in the amount of $4,800 per occurrence with a $200 deductible.

NYPA expects that the Company's activity will result in cost savings to NYPA by reducing the need for commercial insurance and creating an efficient and effective claims handling process which will further enable NYPA to manage its overall risk more effectively and economically.

The Company's financial statements are presented in accordance with U.S. generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board. The financial statements comprise the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; the Statement of Cash Flows; and the Notes to the Basic Financial Statements. The Statements of Net Position presents the financial position of the Company at the end of the fiscal years presented and include all of its assets and liabilities. Net position represents the difference between assets and liabilities. The Statements of Revenues, Expenses, and Changes in Net Position presents the revenues earned and the expenses incurred during the fiscal year. Activities are classified as either operating, non-operating, or other. Revenues received and expenses incurred as a result of the Company providing goods and services to its customers are considered operating activities. Non-operating revenues are those received for which goods and services are not directly provided.

NYPA CAPTIVE INSURANCE COMPANY

(A Component Unit of the New York Power Authority)

STATEMENT OF NET POSITION
(In thousands)

	December 31, 2024	December 31, 2023
Assets		
Current Assets:		
Cash and cash equivalents	$ 10,497	30,652
Investments	109,933	73,818
Premiums receivable due from affiliate	—	5,303
Interest income receivable	791	445
Total assets	$ 121,221	110,218
Liability and Net Position		
Current Liabilities:		
Unearned premiums	$ 4,804	4,421
Accrued expenses	20	29
Total liabilities	4,824	4,450
Net Position:		
Unrestricted	116,147	105,518
Restricted	250	250
Total Net position	116,397	105,768
Total liabilities and net position	$ 121,221	110,218

See accompanying notes to financial statements.

NYPA Captive Insurance Company

(A Component Unit of the New York Power Authority)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2024 AND FOR THE PERIOD FROM JULY 25, 2023

(COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 2023

(In thousands)

	December 31,	
	2024	2023
Operating Revenues:		
Gross premiums written	$ 7,230	6,039
Change in unearned premiums	(382)	(4,421)
Total operating revenues	6,848	1,618
Operating expenses:		
General and administrative	302	74
Total operating expenses	302	74
Operating income	6,546	1,544
Nonoperating revenue and gains:		
Net investment income	4,083	4,224
Total nonoperating revenue and gains	4,083	4,224
Net income	10,629	5,768
Other change in net position:		
Capital contributions	—	100,000
Change in net position	10,629	105,768
Net position—Beginning of period	105,768	—
Net position —End of period	$ 116,397	105,768

See accompanying notes to financial statements.

NYPA CAPTIVE INSURANCE COMPANY

(A Component Unit of the New York Power Authority)

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands)

	December 31, 2024	December 31, 2023
Cash flows from operating activities:		
Premiums and other receipts	$ 12,533	736
Disbursements for:		
General and administrative expenses	(311)	(45)
Cash provided by operating activities	12,222	691
Cash flows from capital financing activities		
Capital contribution	—	100,000
Net cash provided by capital and related financing activities	—	100,000
Cash flows from investing activities		
Purchases of investments	(39,157)	(71,992)
Sales and maturities of investments	1,300	384
Interest income	5,480	1,569
Net cash used by investing activities	(32,377)	(70,039)
Net increase in cash and cash equivalents	(20,155)	30,652
Cash and cash equivalents—beginning of period	30,652	—
Cash and cash equivalents—end of period	$ 10,497	30,652
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 6,545	1,544
Adjustments to reconcile to net cash used in operating activities:		
Net increase in accrued expenses and other liabilities	374	4,450
Net increase in receivables	5,303	(5,303)
Net cash provided by operating activities	$ 12,222	691
Noncash investing and financing activities		
Unrealized gain on investments	$ 1,743	2,209

See accompanying notes to financial statements.

(1) Basis of Presentation

(a) Reporting Entity

NYPA Captive Insurance Company (the "Company"), a component unit of the New York Power Authority ("NYPA"), was incorporated under the laws of the State of New York (the "State") as a pure captive insurance company on May 2, 2023, and commenced operations on July 25, 2023. The Company was formed to enable NYPA to continue to more effectively monitor its overall insurance losses and expenses, formalize funding mechanism, means to reduce dependency on the commercial market over time and explore various reinsurance options to further reduce the overall cost of insurance for the company.

The New York captive insurance statute requires a $250 minimum unimpaired paid-in-capital and surplus be maintained by a pure captive insurance company. The Company was initially funded with a cash contribution from NYPA in May 2023 for $250. In August 2023, NYPA made an additional contribution of $99,750. These contributions consist of $100 in share capital and $99,900 in additional paid-in capital.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting and Presentation

The accompanying basic financial statements are prepared on the accrual basis of accounting using the economic resources measurements focus and in accordance with U.S. generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

The Company is reported as a special-purpose government engaged in business-type activities.

(b) Use of Management's Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

(c) Cash and Cash Equivalents and Highly Liquid Investments with a maturity of three months or less when purchased.

Cash equivalents are stated at amortized cost, which approximates fair value. Cash of $250 is restricted and recorded within cash and cash equivalents on the statement of net position.

(d) Investments

Investments are recorded in the statement of net position at fair value, using quoted market prices. All investment income, including changes in the fair value of investments, is reported as non-operating revenue in net investment income on the statement of revenues, expenses and changes in net position.

(Continued)

(e) Net Position

Net position is classified as follows:

Restricted net position – nonexpendable consists of resources held to satisfy Article 70 § 7004 (1) of the New York Insurance Law, which requires that captive insurance companies maintain $250 of unimpaired paid-in capital and surplus.

Unrestricted net position represents resources available to the Company for operations.

A summary of net position is as follows:

	(in thousands) December 31,	
	2024	**2023**
Restricted - nonexpendable	$ 250	250
Unrestricted	116,147	105,518
Total Net Position	$ 116,397	105,768

(f) Operating and Non-Operating Revenue and Expenses

(i) Operating Revenues

Premiums

Earned premiums are determined over the term of their related policies, which approximates one year. Accordingly, an unearned premium liability is established for the portion of premiums written applicable to the unexpired period of policies in force. The Company does not directly pay premium taxes in accordance with its relationship with New York State.

(ii) Operating Expenses

Loss and Loss Adjustment Expenses

Loss and loss adjustment expenses are established for amounts estimated to settle incurred losses on individual cases and estimates for losses incurred but not reported.

Loss and loss adjustment expenses are based on loss estimates for individual claims and actuarial estimates and, therefore, the ultimate liabilities may vary from such estimates. Any adjustments to these estimates, which could be significant, will be reflected in income in the period in which the estimates are changed or payments are made. The Company currently does not have any loss and loss adjustment expenses as no claims have been submitted to the Company.

(g) Non-Operating Revenues and Expenses

Investment income and unrealized gain (loss) on investments account for the Company's non-operating revenues and expenses.

(Continued)

(h) Income Taxes

The Company is not subject to income taxes arising on profits since it is a component unit of NYPA. NYPA and its subsidiaries are exempt from federal and state income taxes.

(3) Cash and Investments

Investment of the Company's funds is administered in accordance with the applicable provisions of the Company's Insurance Investment Policy Statement. These guidelines comply with the New York State Comptroller's investment guidelines for public authorities and were adopted pursuant to Section 2925 of the New York Public Authorities Law.

(a) Investment Credit Risk

The Company's investments under the Company's Insurance Investment Policy Statement for the Investment of Funds are restricted to (a) authorized collateralized certificates of deposit, Certificate of Deposit Account Registry Service ("CDARS") program or similar FDIC-insured, reciprocal products, time deposits and money market funds(money market funds shall not exceed 40% of the Company's invested funds and no more than $50 million invested in any one fund), (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 any agency controlled by or supervised by and acting as an instrumentality of the United States government, and (d) obligations of any state or any political subdivision thereof or any agency, instrumentality or local government unit of any such state or political subdivision which is 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 of treasury or agency-backed collateral with a physical trust certificate from a FINRA-licensed broker dealer, and (f) Guaranteed Investment Contracts or GIC Funds issued by creditworthy insurance companies and collateralized by issuer's general or separate account assets, with no more than $50 million invested in any one contract or fund. The Authority's investments in the senior debt securities of Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB) Federal Agricultural Mortgage Corporation (FAMC) and Federal Home Loan Mortgage Corporation (FHLMC) were rated Aa1 by Moody's Investors Services (Moody's), AA+ by Fitch Ratings (Fitch) and AA+ by Standard & Poor's (S&P).

Further, the Company can invest in Collateralized Loan Obligations ("CLOS") with a rating of AA or higher; Corporate equity investments in domestic common and preferred stocks and publicly traded REIT funds; and Mortgage-backed securities and Collateralized Mortgage Obligations with a rating of AA or higher.

(b) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment.

(Continued)

(c) Concentration of Investment Credit Risk

The Company's Insurance Investment Policy Statement details the limits that the portfolio may be invested in any one security or issuer. On December 31, 2024, the Company's total investment portfolio of $109,933, excluding cash and cash equivalents, includes investment of $50,782 (46%), $43,436 (40%), and $15,715 (14%) in government Agency securities, taxable Municipal bonds and other securities, respectively. 46% of the total investments are in securities guaranteed by U.S. Government. At December 31, 2023, the Company's total investment portfolio of $73,818, excluding cash and cash equivalents, included investments of $13,076 (18%), $10,048 (14%), $7,939 (11%), and $42,755 (57%) in securities of FHLMC, FHLB, GNMA, and taxable Municipal bonds and other securities, respectively.

All investments are held by designated custodians in the name of the Company. The Federal Deposit Insurance Corporation insures cash balances up to $250 per depositor, per bank. As of December 31, 2024, and 2023, cash in the bank amounted to approximately $251 of which, approximately $1 was uninsured. In addition, as of December 31, 2024, and 2023, the Captive had $10,246 and $30,401 invested in money market funds, respectively.

(d) Cash and Investments of the Company

	(In thousands) December 31,	
	2024	**2023**
Cash and investments		
Cash and cash equivalents	$ 10,497	30,652
Other debt securities:		
FNMA	11,998	—
FHLMC	21,711	13,076
FHLB	9,819	10,048
GNMA	7,254	7,939
Municipal	43,436	22,991
All other	15,715	19,764
Total investments	109,933	73,818
Total cash and investments	$ 120,430	104,470

(Continued)

2023	Years to Maturity				
	0-1	1-5	5-10	10+	Total
FHLMC	$ —	—	13,076	—	13,076
FHLB	—	—	10,048	—	10,048
GNMA	—	—	—	7,939	7,939
Municipal	—	—	20,640	2,351	22,991
All other	—	—	9,980	9,784	19,764
	$ —	—	53,744	20,074	73,818

2024	Years to Maturity				
	0-1	1-5	5-10	10+	Total
FNMA	$ —	—	11,998	—	11,998
FHLMC	—	—	21,711	—	21,711
FHLB	—	—	9,819	—	9,819
GNMA	—	—	7,254	—	7,254
Municipal	—	9,107	22,527	11,802	43,436
All other	—	—	15,715	—	15,715
	$ —	9,107	89,024	11,802	109,933

(e) Fair Value Measurements

GASB Statement No. 72 establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument.

The fair value hierarchy prioritizes the inputs used to measure fair value into three broad Levels (Levels 1, 2, and 3), moving from quoted prices in active markets in Level 1 to unobservable inputs in Level 3. The categorization of a financial instrument within the fair value hierarchy is based upon pricing transparency and is not necessarily an indication of the Company's perceived risk of that financial instrument.

The following describes the fair value hierarchy of inputs used by the Company to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

- Level 1 – quoted prices for identical assets or liabilities in active markets that the Company can access at the measurement date.

(Continued)

- Level 2 – quoted prices other than quoted prices included within Level 1 and other inputs that are observable for an asset or liability, either directly or indirectly.
- Level 3 – pricing inputs are unobservable for the asset or liability and may rely on inputs using the best available data under the circumstances, including the Company's own data.

The following describes the valuation methodologies used by the Company for assets and liabilities measured at fair value:

- U.S. government agencies and instrumentalities – The fair value of government agencies and instrumentalities are based on institutional bond quotes and evaluations based on various market and industry inputs (FNMA, FHLMC, FHLB & GNMA).
- Municipal bonds – The fair value of municipal bonds are based on institutional bond quotes and evaluations based on various market and industry inputs.

The following tables summarize the Company's outstanding assets, of which there are no Level 3, within the fair value hierarchy at December 31, 2024 and 2023:

		Fair Value Masurements (in thousands)		
December 31, 2024	**Total**	**Level 1**	**Level 2**	**Level 3**
Assets				
Cash and cash equivalents	$ 10,497	10,497	—	—
Federal Agency securities				
FNMA	11,998	—	11,998	—
FHLMC	21,711	—	21,711	—
FNLB	9,819	—	9,819	—
GNMA	7,254	—	7,254	—
Municipal	43,436	—	43,436	—
All other	15,715	15,715	—	—
Total assets at fair value	$ 120,430	26,212	94,218	—

(Continued)

December 31, 2023	Total	Fair Value Masurements (in thousands) Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	$ 30,652	30,652	—	—
Federal Agency securities				
FHLMC	13,076	—	13,076	—
FNLB	10,048	—	10,048	—
GNMA	7,939	—	7,939	—
Municipal	22,991	—	22,991	—
All other	19,764	—	19,764	—
Total assets at fair value	$ 104,470	30,652	73,818	—

(f) Credit Risk

At December 31, 2024 and 2023, the following credit quality rating has been assigned by a nationally recognized rating organization (in thousands).

Quality Rating December 31, 2024	AAA	AA+	AA	N/A	Total
FNMA	$ —	11,998	—	—	11,998
FHLMC	—	21,711	—	—	21,711
FNLB	—	9,819	—	—	9,819
GNMA	—	7,254	—	—	7,254
Municipal	10,780	8,705	23,951	—	43,436
All other	—	—	—	15,715	15,715
	$ 10,780	59,487	23,951	15,715	109,933

Quality Rating December 31, 2023	AAA	AA+	AA	N/A	Total
FHLMC	$ —	13,076	—	—	13,076
FNLB	—	10,048	—	—	10,048
GNMA	—	7,939	—	—	7,939
Municipal	4,935	8,651	9,405	—	22,991
All other	—	19,764	—	—	19,764
	$ 4,935	46,402	9,405	—	60,742

(Continued)

(4) Insurance Activity

(a) Property Program

Effective September 1, 2023, the Company began writing a direct property deductible reimbursement policy indemnifying NYPA. The indemnification policy is written to cover NYPA's obligation under an existing large deductible policy. The Company reimburses NYPA up to $5,000 each occurrence with no aggregate. On November 1, 2023, the policy renewed with the limit being increased to $10,000 each occurrence with no aggregate. The policy renewed on November 1, 2024 with no change to the premium or policy limits.

(b) Terrorism Program

Effective September 1, 2023, the Company began offering insurance coverage for Nuclear, Biological, Chemical, or Radiological terrorism (NBCR) to NYPA. This coverage protects against certified terrorism losses as defined by the Terrorism Risk Insurance Act of 2002 (TRIA) and its subsequent extensions until 2027. TRIA establishes a system of shared compensation between the public and private sectors for insured losses resulting from certified acts of terrorism. TRIA protection is only activated if there is a certified act of terrorism and the losses exceed an industry insured loss trigger, which is set at $200,000 until 2027. The coverage provided by the Company is eligible for coinsurance protection under TRIA, which is set at 80% until 2027. This co-insurance protection is provided by the U.S. Treasury, subject to a deductible equal to 20% of the Company's prior year direct earned premiums. The Company's liability for any one Certified Act of Terrorism is limited to its proportion of $500,000 per occurrence and in aggregate. The policy renewed on November 1, 2024 with no change to the premium or policy limits.

(c) Cyber Program

Effective January 1, 2024, the Company began writing a direct cybersecurity deductible reimbursement policy indemnifying NYPA. The indemnification policy is written to cover NYPA's obligation under an existing large deductible policy. The Company reimburses NYPA up to $5,000 each occurrence and in aggregate.

(d) General Liability Program

Effective June 15, 2024, the Company began writing a direct general liability deductible reimbursement policy indemnifying NYPA. The indemnification policy is written to cover NYPA's obligation under an existing large deductible policy. The Company reimburses NYPA up to $4,800 each occurrence and in aggregate above the policy's $200 deductible.

	(in thousands)			
	2024		2023	
	Premiums Written	Premiums Earned	Premiums Written	Premiums Earned
Property	$ 1,365	1,366	1,478	339
Terrorism	3,938	3,941	4,561	1,279
Cyber	228	228	—	—
GL	1,700	1,313	—	—
Total	$ 7,231	6,848	6,039	1,618

(Continued)

(5) Related Party Transactions

The Company provides insurance coverage for NYPA. The premium revenue from NYPA during the period and receivable for the years ended December 31, 2024 and for the period from July 25, 2023 (commencement of operations) to December 31, 2023 was as follows (in thousands):

	2024		2023	
	Receivable	Earned	Receivable	Earned
NYPA	$ —	6,848	5,303	1,618
	$ —	6,848	5,303	1,618

Furthermore, NYPA made capital contributions amounting to $250 and $99,750 during 2023. These contributions consist of $100 in share capital and $99,900 in additional paid-in capital.

(6) Commitments and Contingencies

The Company is subject to disputes, including litigation and arbitration, arising in the ordinary course of its insurance business. The Company has no commitments or contingencies as of December 31, 2024 and 2023.

(7) Subsequent Events

The Company has evaluated all subsequent transactions and events after the Statement of Net position as of December 31, 2024 and through June 25, 2025, to ensure that these financial statements include appropriate recognition and disclosure of recognized events in the financial statements as of December 31, 2024. As of June 25, 2025, there were no subsequent events that required recognition or disclosure.

NYPA CAPTIVE INSURANCE COMPANY

MINUTES OF THE MEETING
of the NYPA Captive Insurance Company
July 16, 2024

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July 16, 2024

An annual meeting of the NYPA Captive Insurance Company Board of Directors held at New York Power Authority's White Plains office, via videoconference, at approximately 9:47 a.m.

The following Members of the Board present were:

John Koelmel
Dennis Trainor
Bethaida Gonzalez
Cecily Morris
Michael Cusick
Lewis M. Warren

Laurie Wheelock - Excused

Also in attendance were:

Justin E. Driscoll	President and Chief Executive Officer
Adam Barsky	Executive Vice President and Chief Financial Officer
Lori Alesio	Executive Vice President & General Counsel - Legal Affairs
Yves Noel	Senior Vice President and Chief Strategy Officer
Joseph Kessler	Executive Vice President & Chief Operating Officer
Daniella Piper	EVP & Chief Innovation Officer - Chief Innovation Office
Karina Saslow	Senior Vice President - Human Resources
Robert Piascik	Senior Vice President - Chief Information & Technology Officer
Alexis Harley	SVP, Chief Risk & Resiliency Officer - Enterprise Risk & Resilience
Charles Imohiosen	SVP Communications & External Affairs
Karen Delince	Vice President and Corporate Secretary
Carley Hume	SVP Policy & Regulatory Affairs - Public & Regulatory Affairs
Andrew Negro	Director – Corporate Insurance
Sheila Quatrocci	Senior Associate Corporate Secretary
Michele Stockwell	Senior Assistant Corporate Secretary

Chairman John Koelmel presided over the meeting. NYPA Captive Insurance Company Corporate Secretary Andrew Negro kept the Minutes.

Introduction

Chairman John Koelmel welcomed the members and the Authority's senior staff to the meeting. He said that the meeting had been duly noticed as required by New York State's Open Meetings Law and called the meeting to order.

1. Adoption of the July 16, 2024 Proposed Meeting Agenda

On motion made by Member Cecily Morris and seconded by Member Dennis Trainor, the agenda for the meeting was adopted.

2. Discussion Agenda:

a. Adoption of Corporate Resolution at Annual Meeting of the Board of Directors of the NYPA Captive Insurance Company

Justin Driscoll, the President and Chief Executive Officer of the Authority and President and Chief Executive Officer of NYPA Captive Insurance Company, submitted the following report:

SUMMARY

On July 16, 2024, the Board of Directors of the NYPA Captive Insurance Company ("Captive") held an annual meeting and voted on a corporate resolution which ratified the actions of the officers since the inception of the corporation; approved the annual appointment of the officers of the corporation, including President and Chief Executive Officer, Chief Financial Officer, Secretary, and Treasurer; approved the appointment of corporate service providers; adopted the current insurance program; and accepted the audited financial report for the year ending December 31, 2023; in accordance with corporate governance and regulatory requirements.

BACKGROUND

Captive is utilized as a risk financing vehicle for the Authority to maximize the flexibility and effectiveness of the Authority's insurance programs by reducing costs, stabilizing budgets and cash flow, establishing long-term relationships with risk financing partners, establishing appropriate risk retention levels using state-of-the-art analytical techniques, establishing appropriate limits, providing insurance for uninsurable or hard-to-insure risks, and providing a vehicle for effective tactical and strategic use of insurance and risk financing and transfer.

It is expected that the Authority's casualty and liability insurance programs will ultimately be written and administered through Captive, including but not limited to Excess Liability, Protective Liability, Property Coverage, Property Sabotage & Terrorism, Cyber Liability; Automobile Liability, Premises Liability, and Owner Controlled Insurance Programs for General Liability and Builder's Risk coverage for projects financed through the Authority's capital programs.

Chapter 193 of the Laws of 2022, enacted May 9, 2022, authorized the Authority and any statutory subsidiary thereof to form a pure captive insurance company. At a meeting held on September 29, 2022, the Authority's Board of Trustees approved the formation of a subsidiary corporation called the NYPA Captive Insurance Company, and the Authority filed its application for a license with the New York State Department of Financial Services ("DFS"). On May 2, 2023, DFS issued the Certificate of Incorporation for Captive, and Captive's Board of Directors held an organization meeting on May 25, 2023. On May 25, 2023, the Authority also contributed $250,000 as its initial capital contribution to Captive. An additional $99,750,000 of capital contribution was made on August 8, 2023, bringing the total contribution to $100 million. DFS issued the requisite license to operate to Captive on July 25, 2023.

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

FISCAL INFORMATION

The formation of Captive will ultimately have a positive fiscal impact on the Authority as it is expected, among other benefits, to reduce the Authority's insurance program premiums and costs, provide a vehicle for effective tactical and strategic use of insurance and risk financing and transfer, and provide access to the federal government's terrorism risk program created under the Terrorism Risk Insurance Act, which provides a federal backstop for 80% of covered losses.

RECOMMENDATION

Adam Barsky, the Executive Vice President & Chief Financial Officer of the Authority and Chief Financial Officer of Captive, requested that the Board hold an annual meeting and approve a corporate resolution at such time. Driscoll recommended the approval of the above-requested action by adoption of the resolution.

Barsky provided background highlights and anticipated activities of Captive.

Andrew Negro, Corporate Secretary of Captive, provided highlights of the resolution to the members. He said that the resolution, which is an adoption of the following matters, was before the Board of Directors for adoption.

1. Action of Officers
2. Appointment of Officers
3. Appointment of Service Providers
4. Current Insurance Program
5. Financial Statements

On motion made by Member Bethaida Gonzalez and seconded by Member Dennis Trainor, the following resolution, as recommended by the President and Chief Executive Officer of the Authority and President and Chief Executive Officer of Captive was unanimously adopted.

R E S O L U T I O N

OF THE

MEMBERS OF THE BOARD OF DIRECTORS OF NYPA CAPTIVE INSURANCE COMPANY

(the "Corporation")

ACTIONS OF OFFICERS

RESOLVED, that all actions of the officers since the inception of the Corporation are hereby approved and ratified.

APPOINTMENT OF OFFICERS

RESOLVED, that the following persons be appointed to the offices set out below, to hold such office for the ensuing year and until their successors are elected and qualified, except as otherwise provided in the Bylaws:

Name	Office
Justin Driscoll	Chief Executive Officer and President
Adam Barsky	Chief Financial Officer
Andrew Negro	Secretary
Jose Yandun	Treasurer

APPOINTMENT OF SERVICE PROVIDERS

RESOLVED, that the Corporation ratifies and approves the appointment of Marsh Management Services Inc. as Captive manager; KPMG LLP as financial auditor for the year ending December 31, 2024; Marsh Management Services Inc. as actuary for the years ending December 31, 2024 and 2025; and Dentons Bingham Greenebaum LLP and Orrick, Herrington & Sutcliffe, LLP, as attorneys, for continuing work on such terms as the officers believe is in the best interest of the Corporation.

CURRENT INSURANCE PROGRAM

RESOLVED, that the current insurance program of the Corporation, a copy of which is attached hereto as Exhibit 1, is hereby approved and adopted.

FINANCIAL STATEMENTS

RESOLVED, that the Board of Directors does hereby accept the audited financial report for the year ending December 31, 2023, a copy of which is attached hereto as Exhibit 2.

EXHIBIT 1

NYPA Captive Insurance Company
Business Plan
As of July 16, 2024

Exhibit 1
July 16, 2024

TYPE OF COVERAGE	POLICY PERIOD	POLICY LIMITS	PREMIUM
Property Deductible Reimbursement	November 1, 2023 to November 1, 2024	$10 million each occurrence/no aggregate	1,365,127
Nuclear, Biological, Chemical, & Radiological Terrorism	November 1, 2023 to November 1, 2024	$500 million per occurrence & in aggregate	3,937,500
Cybersecurity Deductible Reimbursement	January 1, 2024 to January 1, 2025	$5 million each occurrence & in aggregate	227,500
General Liability Deductible Reimbursement	June 15, 2024 to June 15, 2025	$4.8 million per occurrence & in aggregate/$200k deductible	1,700,000

Exhibit 2
July 16, 2024

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

Board of Directors
NYPA Captive Insurance Company:

Opinion

We have audited the financial statements of the NYPA Captive Insurance Company (the Company), a component unit of the New York Power Authority, as of December 31, 2023, and for the period from July 25, 2023 (commencement of operations) to December 31, 2023 and the related notes to the financial statements, which collectively comprise the Company's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the changes in its financial position and its cash flows for the period from July 25, 2023 (commencement of operations) to December 31, 2023 in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

KPMG

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

New York, New York
June 28, 2024

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

The Board of Directors
NYPA Captive Insurance Company

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements prepared in accordance with U.S. generally accepted accounting principles of NYPA Captive Insurance Company (the Company) for the period from July 25, 2023 (commencement of operations) to December 31, 2023, and have issued our report thereon dated June 28, 2024. In connection therewith, we advise you as follows:

a. We are independent certified public accountants with respect to the Company and conform to the standards of the accounting profession as contained in the Code of Professional Conduct and pronouncements of the American Institute of Certified Public Accountants, and the Rules of Professional Conduct of the New York State Board for Public Accountancy.

b. The engagement partner and engagement manager, who are certified public accountants, have 21 years and 10 years, respectively, of experience in public accounting and are experienced in auditing insurance enterprises. Members of the engagement team, most of whom have had experience in auditing insurance enterprises and 86 percent of whom are certified public accountants, were assigned to perform tasks commensurate with their training and experience.

c. We understand that the Company intends to file its audited financial statements and our report thereon with the New York State Department of Financial Services and other state insurance departments in states in which the Company is licensed, and that the insurance commissioners of those states will be relying on that information in monitoring and regulating the financial condition of the Company.

   While we understand that an objective of issuing a report on the financial statements is to satisfy regulatory requirements, our audit was not planned or conducted to satisfy all objectives or responsibilities of insurance regulators. In this context, the Company and the insurance commissioners should understand that the objective of an audit of financial statements in accordance with auditing standards generally accepted in the United States of America is to form an opinion and issue a report on whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flow in conformity with U.S. generally accepted accounting principles. Consequently, under auditing standards generally accepted in the United States of America, we have the responsibility, within the inherent limitations of the auditing process, to plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud, and to exercise due professional care in the conduct of the audit. The concept of selective testing of the data being audited, which involves judgment both as to the number of transactions to be audited and the areas to be tested, has been generally accepted as a valid and sufficient basis for an auditor to express an opinion on financial statements. Audit procedures that are effective for detecting errors, if they exist, may be ineffective for detecting misstatements resulting from fraud. Because of the characteristics of fraud, particularly those involving concealment (including collusion, falsified documentation, and forgery), a properly planned and performed audit may not detect a material misstatement resulting from fraud. In addition, an audit does not address the possibility that material errors or misstatements caused by fraud may occur in the future. Also, our use of professional judgment and the assessment of materiality for the purpose of our audit means that matters may exist that would have been assessed differently by insurance commissioners.

   It is the responsibility of the management of the Company to adopt sound accounting policies, to maintain an adequate and effective system of accounts, and to establish and maintain internal control that will, among other things, provide reasonable, but not absolute, assurance that assets are safeguarded against loss from

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unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

The Insurance Commissioners should exercise due diligence to obtain whatever other information that may be necessary for the purpose of monitoring and regulating the financial position of insurers and should not rely solely upon the independent auditors' report.

d. We will retain the workpapers (including those kept in a hard copy or electronic medium) prepared in compliance with professional standards, for six calendar years from the date of the audit report or until after the New York State Department of Financial Services has filed a Report of Examination covering 2023, whichever is longer. The definition of workpapers includes "any communications between us and the Company related to our audit of the Company". After notification to the Company, we will make the workpapers available for review by the New York State Department of Financial Services or its delegates (as permitted by law or regulation), at the offices of the Company, at our offices, at the Insurance Department, or at any other reasonable place designated by the Insurance Commissioner. Furthermore, in the conduct of the aforementioned periodic review by the New York State Department of Financial Services, photocopies or electronic equivalents of pertinent audit workpapers may be made (under the control of the accountant) and such copies may be retained by the New York State Department of Financial Services. In addition, to the extent requested, we may provide the New York State Department of Financial Services with electronic copies of certain of our audit working papers (such as unlocked electronic copies of Excel spreadsheets) that do not contain password protection or encryption. As such, these copies of our audit working papers will be subject to potential modification by the New York State Department of Financial Services or by others. We are not responsible for any modifications made to the copies, electronic or otherwise, after they are provided to the New York State Department of Financial Services and we are likewise not responsible for any effect that any such modifications, whether intentional or not, might have on the process, substance, or outcome of your regulatory examination.

e. The engagement partner has served in that capacity with respect to the Company since 2023, is licensed by the New York State Board for Public Accountancy, and is a member in good standing of the American Institute of Certified Public Accountants.

This letter is intended solely for the information and use of the Board of Directors and management of the Company and the New York State Department of Financial Services and other state insurance departments in states in which the Company is licensed and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP

New York, New York
June 28, 2024

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

The Board of Directors
NYPA Captive Insurance Company

Ladies and Gentlemen:

In planning and performing our audit of the financial statements of NYPA Captive Insurance Company (the Company) prepared in accordance with U.S. generally accepted accounting principles as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be unremediated material weaknesses. However, unremediated material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of the Board of Directors and management of the Company and the New York State Department of Financial Services and other state insurance departments in states in which the Company is licensed and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

KPMG LLP

New York, New York
June 28, 2024

The engagement partner, Meredith Kane, has served in that capacity with respect to the Company since 2023.

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NYPA Captive Insurance Company

(A Component Unit of the New York Power Authority)

Financial Statements

As of December 31, 2023 and for the period from July 25, 2023 (commencement of operations) to December 31, 2023

(With Independent Auditor's Report Thereon)

NYPA CAPTIVE INSURANCE COMPANY
(A Component Unit of the New York Power Authority)

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KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

Board of Directors
NYPA Captive Insurance Company:

Opinion

We have audited the financial statements of the NYPA Captive Insurance Company (the Company), a component unit of the New York Power Authority, as of December 31, 2023, and for the period from July 25, 2023 (commencement of operations) to December 31, 2023 and the related notes to the financial statements, which collectively comprise the Company's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the changes in its financial position and its cash flows for the period from July 25, 2023 (commencement of operations) to December 31, 2023 in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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KPMG

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

New York, New York
June 28, 2024

NYPA CAPTIVE INSURANCE COMPANY
(A Component Unit of the New York Power Authority)

MANAGEMENT'S DISCUSSION AND ANALYSIS
(In thousands, except as noted)

Legislation enacted in May of 2022 (Chapter 193 of the Laws of 2022) amended the State insurance law to provide the New York Power Authority ("NYPA") with the legal authority to form a pure captive insurance company enabling NYPA to effectively provide coverage for risks not insurable on the traditional commercial markets, or prohibitively expensive to insure through the commercial markets and to provide NYPA with related tax exemptions.

On September 29, 2022, NYPA's Board of Trustees approved the formation of a subsidiary corporation called the NYPA Captive Insurance Company (the "Company"), and NYPA filed its 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 the Company, and the Company's Board of Directors held an organization meeting on May 25, 2023. On May 25, 2023, NYPA also contributed $250 as its initial capital contribution to the Company. An additional $99,750 of capital contribution was made on August 8, 2023 bringing the total contribution to $100,000. The DFS issued the requisite license to operate to the Company on July 25, 2023.

On September 1, 2023, the Company initially underwrote a TRIA Certified NBCR (Nuclear, Biological, Chemical, Radiological & Cyberterrorism) Terrorism policy with an aggregate limit of $500,000, which policy has a federal backstop, as well as a property deductible reimbursement line in the amount of $5,000 per occurrence. On November 1, 2023, the coverage limit for the property deductible reimbursement line was increased to $10,000 per occurrence. On January 1, 2024 the Company underwrote a cyber deductible reimbursement line in the amount of $5,000 per occurrence. On June 15, 2024, the Company also underwrote a general liability deductible reimbursement line in the amount of $4,800 per occurrence with a $200 deductible.

NYPA expects that the Company's activity will result in cost savings to NYPA by reducing the need for commercial insurance and creating an efficient and effective claims handling process which will further enable NYPA to manage its overall risk more effectively and economically.

The Company's financial statements are presented in accordance with U.S. generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board. The financial statements comprise the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; the Statement of Cash Flows; and the Notes to the Basic Financial Statements. The Statement of Net Position presents the financial position of the Company at the end of the fiscal years presented and include all of its assets and liabilities. Net position represents the difference between assets and liabilities. The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and the expenses incurred during the fiscal year. Activities are classified as either operating, non-operating, or other. Revenues received and expenses incurred as a result of the Company providing goods and services to its customers are considered operating activities. Non-operating revenues are those received for which goods and services are not directly provided.

NYPA CAPTIVE INSURANCE COMPANY
(A Component Unit of the New York Power Authority)

STATEMENT OF NET POSITION

(In thousands)

	December 31, 2023
Assets	
Current Assets:	
Cash and cash equivalents	$ 30,652
Investments	73,818
Premiums receivable due from affiliate	5,303
Interest income receivable	445
Total assets	$ 110,218
Liability and Net Position	
Current Liabilities:	
Unearned premiums	$ 4,421
Accrued expenses	29
Total liabilities	4,450
Net position	105,768
Total liabilities and net position	$ 110,218

See accompanying notes to financial statements.

NYPA Captive Insurance Company
(A Component Unit of the New York Power Authority)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PERIOD FROM JULY 25, 2023 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 2023
(In thousands)

	Period Ended December 31, 2023
Operating Revenues:	
Gross premiums written	$ 6,039
Change in unearned premiums	(4,421)
Total operating revenues	1,618
Operating expenses:	
General and administrative	74
Total operating expenses	74
Operating income	1,544
Nonoperating revenue and gains:	
Net investment income	4,224
Total nonoperating revenue and gains	4,224
Net income	5,768
Other change in net position:	
Capital contributions	100,000
Change in net position	105,768
Net position—Beginning of period	-
Net position —End of period	$ 105,768

See accompanying notes to financial statements.

NYPA CAPTIVE INSURANCE COMPANY
(A Component Unit of the New York Power Authority)

STATEMENT OF CASH FLOWS
PERIOD FROM JULY 25, 2023 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 2023
(In thousands)

	Period ended December 31. 2023
Cash flows from operating activities:	
Premiums and other receipts	$ 736
Disbursements for:	
General and administrative expenses	(45)
Cash provided by operating activities	691
Cash flows from capital financing activities	
Capital contribution	100,000
Net cash provided by capital and related financing activities	100,000
Cash flows from investing activities	
Purchases of investments	(71,608)
Interest income	1,569
Net cash used by investing activities	(70,039)
Net increase in cash and cash equivalents	30,652
Cash and cash equivalents—beginning of period	-
Cash and cash equivalents—end of period	30,652
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	1,544
Adjustments to reconcile to net cash used in operating activities:	
Net increase in accrued expenses and other liabilities	4,450
Net increase in receivables	(5,303)
Net cash provided by operating activities	$ 691
Noncash investing and financing activities	
Unrealized gain on investments	$ 2,209

See accompanying notes to financial statements.

NYPA CAPTIVE INSURANCE COMPANY
(A Component Unit of the New York Power Authority)

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2023 AND FOR THE PERIOD FROM JULY 25, 2023 (COMMENCEMENT OF OPERATIONS) TO DECEMBER 31, 2023

(In thousands, except as noted)

1. BASIS OF PRESENTATION

Reporting Entity—NYPA Captive Insurance Company (the "Company"), a component unit of the New York Power Authority ("NYPA"), was incorporated under the laws of the State of New York (the "State") as a pure captive insurance company on May 2, 2023, and commenced operations on July 25, 2023. The Company was formed to enable NYPA to continue to more effectively monitor its overall insurance losses and expenses, formalize funding mechanism, means to reduce dependency on the commercial market over time and explore various reinsurance options to further reduce the overall cost of insurance for the company.

The New York captive insurance statute requires a $250 minimum unimpaired paid-in-capital and surplus be maintained by a pure captive insurance company. The Company was initially funded with a cash contribution from NYPA in May 2023 for $250. In August 2023, NYPA made an additional contribution of $99,750. These contributions consist of $100 in share capital and $99,900 in additional paid-in capital.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation —The accompanying basic financial statements are prepared on the accrual basis of accounting using the economic resources measurements focus and in accordance with U.S. generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

The company is reported as a special-purpose government engaged in business-type activities.

Use of Management's Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

Cash and Cash Equivalents and Highly Liquid Investments with a maturity of three months or less when purchased. Cash equivalents are stated at amortized cost, which approximates fair value. Cash of $250 is restricted and recorded within cash and cash equivalents on the statement of net position.

Investments—Investments are recorded in the statement of net position at fair value, using quoted market prices. All investment income, including changes in the fair value of investments, is reported as non-operating revenue in net investment income on the statement of revenues, expenses and changes in net position.

Net Position – Net position is classified as follows:

Restricted net position – nonexpendable consists of resources held to satisfy Article 70 § 7004 (1) of the New York Insurance Law, which requires that captive insurance companies maintain $250 of unimpaired paid-in capital and surplus.

Unrestricted net position represents resources available to the Company for operations.

A summary of net position is as follows:

	December 31, 2023 (in thousands)
Restricted - nonexpendable	$ 250
Unrestricted	105,518
Total Net Position	$ 105,768

Operating and Non-Operating Revenue and Expenses

Operating Revenues

Premiums—Earned premiums are determined over the term of their related policies, which approximates one year. Accordingly, an unearned premium liability is established for the portion of premiums written applicable to the unexpired period of policies in force. The Company does not directly pay premium taxes in accordance with its relationship with New York State.

Operating Expenses

Loss and Loss Adjustment Expenses—Loss and loss adjustment expenses are established for amounts estimated to settle incurred losses on individual cases and estimates for losses incurred but not reported.

Loss and loss adjustment expenses are based on loss estimates for individual claims and actuarial estimates and, therefore, the ultimate liabilities may vary from such estimates. Any adjustments to these estimates, which could be significant, will be reflected in income in the period in which the estimates are changed or payments are made. The Company currently does not have any loss and loss adjustment expenses as no claims have been submitted to the Company.

Non-Operating Revenues and Expenses—Investment income and unrealized gain (loss) on investments account for the Company's non-operating revenues and expenses.

Income Taxes—The Company is not subject to income taxes arising on profits since it is a component unit of NYPA. NYPA and its subsidiaries are exempt from federal and state income taxes.

3. **CASH AND INVESTMENTS**

Investment of the Company's funds is administered in accordance with the applicable provisions of the Company's Insurance Investment Policy Statement. These guidelines comply with the New York State Comptroller's investment guidelines for public authorities and were adopted pursuant to Section 2925 of the New York Public Authorities Law.

(a) Investment Credit Risk

The Company's investments under the Company's Insurance Investment Policy Statement for the Investment of Funds are restricted to (a) authorized collateralized certificates of deposit, Certificate of Deposit Account Registry Service ("CDARS") program or similar FDIC-insured, reciprocal products, time deposits 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 any agency controlled by or supervised by and acting as an instrumentality of the United States government, and (d) obligations of any state or any political subdivision thereof or any agency, instrumentality or local government unit of any such state or political subdivision, (e) Repurchase and reverse repurchase agreements ("Repurchase Agreements"), including "gestation" repurchase agreements of treasury or agency-backed collateral with a physical trust certificate from a FINRA-licensed broker dealer, and (f) Guaranteed Investment Contracts or GIC Funds issued by creditworthy insurance companies and collateralized by issuer's general or separate account assets. The Authority's investments in the senior debt securities of Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB) Federal Agricultural Mortgage Corporation (FAMC) and Federal Home Loan Mortgage Corporation (FHLMC) were rated Aaa by Moody's Investors Services (Moody's), AAA by Fitch Ratings (Fitch) and AA+ by Standard & Poor's (S&P).

Further, the Company can invest in Collateralized Loan Obligations ("CLOS") with a rating of AA or higher; Corporate equity investments in domestic common and preferred stocks and publicly traded REIT funds; and Mortgage-backed securities and Collateralized Mortgage Obligations with a rating of AA or higher.

(b) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment.

NYPA CAPTIVE INSURANCE COMPANY
(A Component Unit of the New York Power Authority)

NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2023 AND FOR THE PERIOD FROM JULY 25, 2023 (COMMENCEMENT OF OPERATIONS) TO DECEMBER 31, 2023
(In thousands, except as noted)

(a) Concentration of Investment Credit Risk

The Company's Insurance Investment Policy Statement details the limits that the portfolio may be invested in any one security or issuer. At December 31, 2023, the Company's total investment portfolio of $73,818, consists of investments of $13,076 (17.7%), $10,048 (13.6%), $7,939 (10.8%), $22,991 (31.1%) and $19,764 (26.8%) in securities of FHLMC, FHLB, GNMA, municipal debt securities and all other (collateralized mortgage obligations), respectively.

All investments are held by designated custodians in the name of the Company. The Federal Deposit Insurance Corporation insures cash balances up to $250 per depositor, per bank. As of December 31, 2023, cash in the bank amounted to approximately $251 of which, approximately $1 was uninsured. In addition, the Company had $30,401 invested in money market funds.

Cash and Investments of the Company

(In thousands)

December 31, 2023	
Cash and investments	
Cash and cash equivalents	$ 30,652
Other debt securities:	
FHLMC	13,076
FHLB	10,048
GNMA	7,939
Municipal	22,991
All other	19,764
Total investments	73,818
Total cash and investments	$ 104,470

Summary of maturities (years)

	Years to Maturity				
	0-1	1-5	5-10	10+	Total
FHLMC	$ -	$ -	$ 13,076	$ -	$ 13,076
FHLB	-	-	10,048	-	10,048
GNMA	-	-	-	7,939	7,939
Municipal	-	-	20,640	2,351	22,991
All other	-	-	9,980	9,784	19,764
	$ -	$ -	$ 53,744	$ 20,074	$ 73,818

Fair Value Measurements

GASB Statement No. 72 establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument.

The fair value hierarchy prioritizes the inputs used to measure fair value into three broad Levels (Levels 1, 2, and 3), moving from quoted prices in active markets in Level 1 to unobservable inputs in Level 3. The categorization of a financial instrument within the fair value hierarchy is based upon pricing transparency and is not necessarily an indication of the Company's perceived risk of that financial instrument.

The following describes the fair value hierarchy of inputs used by the Company to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

- Level 1 – quoted prices for identical assets or liabilities in active markets that the Company can access at the measurement date.

- Level 2 – quoted prices other than quoted prices included within Level 1 and other inputs that are observable for an asset or liability, either directly or indirectly.

- Level 3 – pricing inputs are unobservable for the asset or liability and may rely on inputs using the best available data under the circumstances, including the Company's own data.

The following describes the valuation methodologies used by the Company for assets and liabilities measured at fair value:

- U.S. government agencies and instrumentalities – The fair value of government agencies and instrumentalities are based on institutional bond quotes and evaluations based on various market and industry inputs (FHLMC, FHLB & GNMA).

- Municipal bonds – The fair value of municipal bonds are based on institutional bond quotes and evaluations based on various market and industry inputs.

The following tables summarize the Company's outstanding assets, of which there are no Level 3, within the fair value hierarchy at December 31, 2023:

	Fair Value Measurements (in thousands)			
December 31, 2023	**Total**	**Level 1**	**Level 2**	**Level 3**
Assets				
Cash and cash equivalents	$ 30,652	$ 30,652	$ -	$ -
Federal Agency securities				
FHLMC	13,076	-	13,076	-
FNLB	10,048	-	10,048	-
GNMA	7,939	-	7,939	-
Municipal	22,991	-	22,991	-
All Other	19,764	-	19,764	-
Total assets at fair value	$ 104,470	$ 30,652	$ 73,818	$ -

Credit Risk – At December 31, 2023, the following credit quality rating has been assigned by a nationally recognized rating organization (in thousands).

Quality Rating				
December 31, 2023	AAA	AA+	AA	Total
FHLMC	$ -	$ 13,076	$ -	$ 13,076
FNLB	-	10,048	-	10,048
GNMA	-	7,939	-	7,939
Municipal	4,935	8,651	9,405	22,991
All Other	-	19,764	-	19,764
	$ 4,935	$ 59,478	$ 9,405	$ 73,818

4. INSURANCE ACTIVITY

Property Program—Effective September 1, 2023, the Company began writing a direct property deductible reimbursement policy indemnifying NYPA. The indemnification policy is written to cover NYPA's obligation under an existing large deductible policy. The Company reimburses NYPA up to $5,000 each occurrence with no aggregate. On November 1, 2023 the policy renewed with the limit being increased to $10,000 each occurrence with no aggregate.

Terrorism Program— Effective September 1, 2023, the Company began offering insurance coverage for Nuclear, Biological, Chemical, or Radiological terrorism (NBCR) to NYPA. This coverage protects against certified terrorism losses as defined by the Terrorism Risk Insurance Act of 2002 (TRIA) and its subsequent extensions until 2027. TRIA establishes a system of shared compensation between the public and private sectors for insured losses resulting from certified acts of terrorism. TRIA protection is only activated if there is a certified act of terrorism and the losses exceed an industry insured loss trigger, which is set at $200,000 until 2027. The coverage provided by the Company is eligible for co-insurance protection under TRIA, which is set at 80% until 2027. This co-insurance protection is provided by the U.S. Treasury, subject to a deductible equal to 20% of the Company's prior year direct earned premiums. The Company's liability for any one Certified Act of Terrorism is limited to its proportion of $500,000 per occurrence and in aggregate.

(in thousands)

	Premiums Written 2023	Premiums Earned 2023
Property	$ 1,478	$ 339
Terrorism	4,561	1,279
Total	$ 6,039	$ 1,618

5. RELATED PARTY TRANSACTIONS

The Company provides insurance coverage for NYPA. The premium revenue from NYPA during the period and receivable for the years ended December 31, 2023 was as follows (in thousands):

	2023	
	Receivable	Earned
NYPA	$ 5,303	$ 1,618
	$ 5,303	$ 1,618

Furthermore, NYPA made capital contributions amounting to $250 and $99,750. These contributions consist of $100 in share capital and $99,900 in additional paid-in capital.

6. COMMITMENTS AND CONTINGENCIES

The Company is subject to disputes, including litigation and arbitration, arising in the ordinary course of its insurance business. The Company has no commitments or contingencies as of December 31, 2023.

7. SUBSEQUENT EVENTS

The Company has evaluated all subsequent events through June 26, 2024, to ensure that these financial statements include appropriate recognition and disclosure of recognized events in the financial statements as of December 31, 2023. As of June 26, 2024, there were no subsequent events that required recognition or disclosure.

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3. Consent Agenda

a. Approval of the Meeting Minutes held on May 25, 2023

On motion made by Member Bethaida Gonzalez and seconded by Member Dennis Trainor, the Minutes of the Meeting held on May 25, 2023, were approved.

4. Next Meeting

Chair John Koelmel stated that the next meeting of the NYPA Captive Insurance Company's Board of Directors was to be determined.

Closing

On motion made by Member Dennis Trainor and seconded by Member Lewis M. Warren, the meeting was adjourned at approximately 10:02 a.m.

Andrew Negro

Andrew Negro
Corporate Secretary – NYPA Captive Insurance Company

NEW YORK STATE | NY Power Authority | Canal Corporation

July 29, 2025

Next Meeting

The next meeting of the New York Power Authority's Trustees and the Canal Corporation's Board of Directors will be held on Tuesday, September 23, 2025, unless otherwise designated by the Chairman with the concurrence of the members.

The next regular meeting of the New York Power Authority's Captive Insurance Company board will be determined.