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Executive Summary

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

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

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

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

2021 Outlook and Beyond
- Vision2030 outlines NYPA’s strategic plan over the next 10-years with a focus on ESG and business resiliency in support of NYS energy infrastructure.

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1Per the unaudited financial statements as of June 30, 2021.
2Includes AEII; without AEII it was 10.6x for 2020 and 3.7x in 2019.
3Excludes AEII.
COVID-19 Response

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

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

<table>
<thead>
<tr>
<th>Financing/Strategy</th>
<th>Description</th>
<th>Liquidity and Other Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>$250mm Revolving Loan Facility</td>
<td>Completed the renewal of the revolving line of credit with JP Morgan in April 2021</td>
<td>$250 million of added liquidity for NYPA corporate purposes <em>(in addition to $700 million line of credit backing CP)</em></td>
</tr>
</tbody>
</table>
| Commercial Paper Program | Expand authorized uses including any valid corporate purposes  
Consolidated the 4 series of CP into 1 to provide maximum flexibility | Amended and restated the CP Resolution including right size the authorization to $950 million |
| Refinancing of the 2011A Bonds | Refunded the remaining ~$63 million of 2011A in December 2020 with the issuance of CP | Lower near-term debt service realizes ~$3 million of savings  
Legally defease the Bonds |
| Green and ESG Focus | Inaugural Green Bond Issuance  
~$792 million Certified Green by Sustainalytics  
Largest Public Power Green Bond to date  
In April 2021, the 1-year Green Bond compliance report was finalized | Opens NYPA to the Green Bond investors and expands geographical diversity  
Expanding continued support of NY State’s nation leading climate and green energy initiatives |

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*Contrary to a recent article in Politico, NYPA’s Board did approve the Harbor Lights project for its customer, the Metropolitan Transportation Authority, and NYPA did have the ability to, and did in fact, issue securities during the period cited in the article. In addition, as noted in that same article, NYPA has been fully repaid for the Harbor Lights project from state infrastructure and capital funds.*
New York State’s commitment to decarbonization has fundamentally changed the energy landscape

**Accelerated Renewable Energy Growth and Community Benefit Act**

**Office of Renewable Energy Siting**
Establish a new state office which will consolidate, review, and ensure siting decisions are predictable, responsible, and take input from local communities

**Clean Energy Resource Development incentives program**
NYSERDA will work with state partners and local communities to rapidly advance “Build-Ready” projects to maximize economic development and resource protection

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

**Grid planning / energy delivery constant relief**
Prioritize the planning, investment, and responsible development of grid infrastructure, allowing renewable energy power to be delivered to where it is needed

**Climate Leadership and Community Protection Act (CLCPA)**

**Clean electric grid of tomorrow**
Solar, wind, and other renewables combined with energy storage to deliver affordable and reliable electricity over the next decade and beyond

**Affordable and safe energy efficient homes and businesses**
New cooling and heating technologies, such as electric heat pumps and thermostats, combined with energy efficiency will save New Yorkers energy and money

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

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

**CLCPA goals**

- **100%** Zero-carbon electricity by 2040
- **70%** Renewable energy generation by 2030
- **40%** Reduction in GHG emissions by 2030
- **85%** Reduction in GHG emissions by 2050
- **9 GW** Offshore wind by 2035
- **6 GW** Distributed solar by 2025
- **3 GW** Energy storage by 2030
- **185 TBTU** Energy consumption savings by 2025
- **35%** Benefits to disadvantaged communities
Preserve and enhance the value of our hydropower assets as a core source of carbon-free power and of flexibility and resilience as the state’s grid evolves

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

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

Partner with our customers and the state to meet their energy goals in alignment with CLCPA\(^1\) by providing clean and affordable energy along with innovative customer solutions

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

Digitization

Environment, Social, and Governance

Diversity, Equity, and Inclusion

Enterprise Resilience

Resource Alignment

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\(^1\)Climate Leadership and Community Protection Act
### Executive Management Committee (Vision2030 Strategic Initiatives & Foundational Pillars)

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adam Barsky</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Justin Driscoll</td>
<td>General Counsel &amp; Chief Legal Officer</td>
</tr>
<tr>
<td>Joseph Kessler</td>
<td>Chief Operating Officer</td>
</tr>
<tr>
<td>Kristine Pizzo</td>
<td>Chief Human Resources &amp; Administration Officer</td>
</tr>
<tr>
<td>Robert Piascik</td>
<td>Chief Information &amp; Technology Officer</td>
</tr>
<tr>
<td>Philip Toia</td>
<td>President, NYPA Development</td>
</tr>
</tbody>
</table>

#### Foundational Pillars

- **Environmental, Social & Governance**
  - Gil Quiniones
  - Yves Noel
  - ReImagine the Canals

- **Enterprise Resilience**
  - Adam Barsky
  - Justin Driscoll

- **Hydropower**
  - Joseph Kessler
  - Sarah Salati
  - Daniella Piper

- **Decarbonization**
  - Joseph Kessler
  - Sarah Salati
  - Daniella Piper

- **Resource Alignment**
  - Joseph Kessler
  - Sarah Salati
  - Daniella Piper

- **Diversity, Equity & Inclusion**
  - Joseph Kessler
  - Sarah Salati
  - Daniella Piper

- **Digitization**
  - Robert Piascik

- **Transmission**
  - Philip Toia
General Business Update

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

*Takeaway*: Significant investment at an attractive ROI

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

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

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

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

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

*Takeaway*: Manageable capital spending; investing $300 million incrementally over the next five years to reduce annual O&M Expense with limited risk
Reimagine the Canals has been developed with five high-level goals

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

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

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

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

Opportunities can be identified to drive **operational improvement** and reduce ongoing operations and maintenance costs and **generate revenue**.
NYPA plays a pivotal role in achieving the state’s bold sustainability agenda and have aligned our ambitions to New York’s Climate Leadership and Community Protection Act.

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

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

Demonstrate our commitment to ESG over the long-term by issuing a sustainability plan and annual sustainability reports, developed in accordance with leading frameworks.
NYPA’s Aims to Issue an Industry-Leading Integrated Report (“IR”) in 2023

**Framework Foundation**

**Step 1**
Establish a **foundation of sustainability strategy**, governance, performance management, reporting, and disclosure.

**IR Readiness Assessment**

**Step 2**
Determine the organization’s **gaps and deficiencies** against the “IR” framework, as well as feasibility and organizational willingness to change.

**Transition Protocol**

**Step 3**
Define, plan and execute the stages of reporting evolution required to smoothly transition the organization and its stakeholders to an advanced “IR” reporting practice and platform.

**Integrated Reporting**

**Step 4**
Operationalize the tenets of Integrated Reporting across the business and **annually report on strategies, policies, practices, and metrics** (performance, impact, and value) to stakeholders.

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**Release of NYPA’s first GRI & SASB-aligned Sustainability Report**

**GRI & SASB-aligned Sustainability Report**

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

2021-2025 Sustainability Plan

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

15 Focus Areas

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

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

Governance
12. Enterprise Risk & Resilience
13. Regulatory Management & Compliance
14. Cyber & Physical Security
15. Supply Chain & Procurement Practices
NYPA plays a pivotal role in achieving the state’s bold sustainability agenda and have aligned our ambitions to New York’s Climate Leadership and Community Protection Act.

2020 SUSTAINABILITY REPORT
NYPAGOV

Sustainability Report

- First detailing ESG progress against the 2021 – 2025 Sustainability Plan
- First year referencing the Global Reporting Initiative (GRI) Standards
NYPA’s Embedded Risk Management Culture

**Robust Enterprise-Wide Governance**

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

**Cyber Security**

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

**Strong Asset Management Standards**

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

**Price Risk, Credit and Liability Management**

- **Commodity Risk Management Analytics Solution** – Integrated platforms monitoring market exposures
  - Active volumetric hedging program to reduce exposure in energy markets, capacity, and metals
- **Manage Counterparty Portfolio** – Commercial Operations team monitors credit exposure and manages collateral to protect trading positions
- **Post 2020 year-end OPEB Merger** – Proactive liability management by merging NYPA and Canals
  - Greatly reduces an underfunded liability
## Year-To-Date Actuals* through June 30, 2021

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

*Unaudited financial results

**EBIDA**: Earnings Before Interest Depreciation & Amortization

**Margin View**: Excludes revenues and expenses related to Y-49 / Long Island Sound cable fault
NYPA’s Financing Policy

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

**Capital Markets**
- 50-50 Debt to Equity funding methodology
- Senior lien ‘AA’ credit rating
- Taxable bonds or Tax-exempt bonds as applicable
- Maintain Fixed Charge Coverage Ratio no less than 2.0x

**Large Scale Renewables (LSR)**
- Develop a bold transmission investment program to accelerate planning and development
- Relies on NYPA’s unique capability to expeditiously construct new transmission by itself or in partnership
- LSR funded under separately financed project structure

**Clean Energy Technology**
- Cash equity financed
- Electric and Hydrogen Vehicles
- Local Renewables
- Customer Choice and Control
- Storage

**Energy Efficiency**
- Continue to support Customer projects
- De-lever existing energy efficiency program with off Balance Sheet conduit financings
- $200mm CP carve-out for warehousing Energy Efficiency loans going forward
- Maintain A-1+/P-1/F1+ short-term ratings