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Orrick: New York Power Authority Structures Landmark 30-Year Prepay Energy Deal

The New York Power Authority (NYPA) successfully structured a first-of-its-kind tax exempt prepaid electricity financing in the State of New York that achieved triple tax exemption at the federal, state and local levels. Utilizing a newly created conduit issuer, the New York Energy Finance Development Corporation issued $944.15 million in energy supply revenue bonds, prepaying 30 years of electricity for NYPA. The transaction involved managing complex state governance and energy regulatory limitations.

Orrick advised NYPA on the transaction, which was named The Bond Buyer's 2025 Deal of the Year for the Northeast region.

THE CLIENT
NYPA is the largest state public power organization in the U.S., operating 17 generating facilities and more than 1,550 circuit-miles of transmission lines.

THE IMPACT
This transaction facilitates the purchase of energy from renewable electric generation projects across the State of New York while lowering the cost of energy paid by retail consumers served by NYPA's customers. To achieve these benefits, NYPA sponsored the creation of a new statewide conduit credit and established a pathway to support the development of renewable energy facilities in the state. In doing so, NYPA secures long-term electricity supply arrangements while advancing statewide climate policy objectives.

The deal also achieved a 10% savings in electricity prices for New York residents.

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