

LONG ISLAND POWER AUTHORITY

MINUTES OF THE 210th MEETING

HELD ON AUGUST 26, 2010

The Long Island Power Authority (the "Authority") was convened for the two-hundred-and-tenth time at 11:01 AM at the LIPA Board Room, in Uniondale, NY, pursuant to legal notice given on August 23, 2010; and electronic notice posted on the Authority's website.

The following Trustees of the Authority were present:

**Howard Steinberg, Chairman
Laurence Belinsky
David Calone
X. Cristofer Damianos
Gemma de Leon
Lawrence Elovich
John Fabio
Michael Fragin
Christopher Hahn
James Herrmann
Neal Lewis
Susan Gordon Ryan
Lawrence Waldman
Diana Weir**

The following Trustees of the Authority were absent:

Suzette Smookler

Representing the Authority were Kevin S. Law, President and Chief Executive Officer; Lynda Nicolino, General Counsel and Secretary; Herb Hogue, Vice President and

CFO; Michael Hervey, Senior Vice President-Operations; Paul DeCotis, Vice President – Power Markets; Mike Deering, Vice President-Environmental Affairs; and Bruce Germano, Vice President-Retail Services

Chairman Steinberg welcomed everyone to the 210th meeting of the Long Island Power Authority Board of Trustees. He then led the Board in a moment of silence to honor the men and woman serving our country, followed by the Pledge of Allegiance.

Chairman Steinberg made a motion to accept the minutes of the June 24, 2010 meeting of the Board of Trustees, which was seconded. He asked if there were any additional changes or deletions, and after hearing none, the following resolution was then adopted:

1000. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE JUNE 24, 2010 MEETING OF THE BOARD OF TRUSTEES OF THE LONG ISLAND POWER AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on June 24, 2010 are hereby approved and all actions taken by the Trustees present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Authority.

The Chairman called for a motion to enter executive session to discuss Personnel Matters. Upon motion duly made and seconded, the following motion was unanimously approved:

1001. EXECUTIVE SESSION - PURSUANT TO SECTION 105 OF THE PUBLIC OFFICERS LAW

RESOLVED, that pursuant to Section 105 of the Public Officers Law, the Trustees of the Long Island Power Authority shall convene in Executive Session for the purpose of discussing personnel matters.

At 11:10 a.m. the open session of the Board of Trustees was temporarily adjourned and an executive session of the Board of Trustees was convened.

At 11:45 a.m. the executive session was adjourned, no votes having been taken, and the open session was reconvened.

The Chairman stated that the next item on the agenda is the Consideration of Approval of Amendments to By-Laws of the Long Island Power Authority.

After requesting a motion on the matter, which was seconded, the Chairman indicated that the matter would be presented by Ms. Nicolino.

Ms. Nicolino presented the following action item:

Requested Action

The Trustees are being requested to adopt amended By-Laws of the Long Island Power Authority (the "Authority"), in the form attached hereto.

Background

The Authority's By-Laws provide for, among other things, the regulation and management of the Authority's business. On May 27, 2010, the Authority adopted amended By-Laws to incorporate new requirements created under the Public Authorities Reform Act of 2009, as well as to more clearly reflect the Authority's current and desired practices. As set forth below, it is recommended that the By-Laws be further amended at this time.

In order to ensure the organizational and operational continuity of the Authority, it is desirable to include a plan of succession for the Office of the President and Chief Executive Officer ("CEO"). As such, it is proposed that in the event of the absence, disability, incapacity or vacancy in the office of the CEO, the Chief Operating Officer ("COO") would temporarily perform the duties of the CEO; in the event the COO is unable to temporarily perform such duties, the Trustees would designate another Officer to do so. It is further proposed that any such service as CEO would only take place until a successor CEO is elected by the Trustees and confirmed by the Senate in accordance with the LIPA Act and Section 2825 of the Public Authorities Law.

Ms. Nicolino noted that the Governance Committee has adopted a resolution recommending that the Trustees approve this amendment to the By-Laws as proposed.

Recommendation

Based upon the foregoing, Ms. Nicolino recommended approval of the above-requested action by adoption of a resolution in the form of the draft resolution attached hereto.

After a discussion by the Trustees and comments by the public, the following resolution was unanimously adopted by the Trustees:

1002. APPROVAL OF AMENDED BY-LAWS OF THE LONG ISLAND POWER AUTHORITY

WHEREAS, the Long Island Power Authority (the “Authority”) has adopted By-Laws with respect to the regulation and management of the affairs of the Authority, as amended on May 27, 2010; and

WHEREAS, the Authority believes it is appropriate to further amend its existing By-Laws to include a plan of succession for the Office of the President and Chief Executive Officer in order to ensure the organizational and operational continuity of the Authority:

NOW, THEREFORE, BE IT RESOLVED, that the Trustees hereby approve and adopt the “By-Laws of the Long Island Power Authority (as amended August 26, 2010)” in the form presented at this meeting; and be it further

RESOLVED, that such By-Laws of the Long Island Power Authority are to be effective with respect to the regulation and management of the affairs of the Authority as of August 26, 2010.

* * *

Chairman Steinberg stated that next item on the agenda is the Consideration of Approval of Appointment of Chief Operating Officer.

After requesting a motion on the matter, which was seconded, the Chairman indicated that the matter would be presented by himself and Trustee Elovich.

Chairman Steinberg and Trustee Elovich presented the action item noting Michael Hervey’s background and competency to fill the position of COO.

After a discussion by the Trustees and comments by the public, the following resolution was unanimously adopted by the Trustees:

1003. APPOINTMENT TO OFFICE OF CHIEF OPERATING OFFICER

RESOLVED, that Michael Hervey be, and hereby is, appointed to the Office of Chief Operating Officer, effective as of August 26, 2010, until the earlier of his resignation or removal; and be it further

RESOLVED, that the incumbent of the Office of Chief Operating Officer shall be an officer of the Long Island Power Authority (“Authority”) and its subsidiary, LIPA, within the meaning of the Authority’s enabling legislation (Chapter 517 of the Laws of 1986), as

amended, including Section 1020-bb of the Public Authorities Law, and all other applicable laws.

* * *

The Chairman next remarked on the fact that this is President Law's last Board meeting, after which he turned the meeting over to him for his final report.

The President then reported on the following items:

- *The hot weather over the summer and the associated energy consumption;*
- *The recent storms and the related increased costs for system repairs;*
- *The July 13th hurricane drill with National Grid;*
- *Recent achievements with the Efficiency and Renewables Programs: Brown goes Green with UPS; efficiency project with Cleary School for the Deaf in Smithtown; efficiency meetings throughout the Town of Hempstead; and the ribbon cutting for the largest land-mounted solar project at the Peconic Bay Winery;*
- *An update on the groundbreaking for the 50-megawatt solar project at BNL expected to be in September;*
- *An update on the status of the enXco solar projects with the County of Suffolk;*
- *LIPA's 2010 electric car rebate program;*
- *His involvement with Congressman Steve Israel regarding Leviton, a company new to Long Island that manufactures solar charging stations;*
- *The status of LIPA's Solar Pioneers and Cash for Clunkers (refrigerators) programs;*
- *The status of the RFP for Utility Services Management;*
- *The status of the Generation RFP for up to 1,000 megawatts of new capacity;*
- *The status of LIPA's lease negotiations for executive office space in Uniondale;*
- *LIPA's preparedness for the hurricane season;*

- *The status of the Shoreham redevelopment plans;*
- *The status of the offshore wind project;*
- *LIPA's accomplishments over the last three-and-a-half years including lower rates, higher credit rating, successful renewables programs and legislation that Senator Chuck Schumer introduced to help LIPA with its debt;*
- *His tenure at LIPA and his decision to leave;*
- *His possible future appointment to the Board of Trustees.*

President Law then concluded his report and took questions from the Trustees.

The Chairman stated that the next item on the agenda is the Financial Report, to be presented by Mr. Hogue.

Mr. Hogue then presented the Financial Report, which included the financial results for the seven months ended July 31, 2010.

Mr. Hogue concluded his report and took questions from the Trustees.

Chairman Steinberg stated that next on the agenda is the Operating Report, to be presented by Mr. Hervey.

Mr. Hervey then presented the Operating Report, which addressed summer energy consumption and storm related activity.

Mr. Hervey concluded his report and took questions from the Trustees.

The Chairman then allowed public comment to be heard.

Chairman Steinberg announced that the next Board meeting is scheduled for September 23, 2010 at 11:00 a.m. in Uniondale.

At approximately 12:33 p.m. the open session of the Board of Trustees was adjourned.

Respectfully submitted,

Lynda Nicolino